

Sales Management

For The Man in Charge of Sales and Advertising



Sales Opportunities in the
Building Field in 1927

*The Man on the
Cover:*

A. G. GULBRANSEN, President
THE GULBRANSEN COMPANY

A Dartnell
Publication

DECEMBER 11, 1926

TWENTY CENTS



The Fighting Spirit !

There is almost a personal influence about a practical loose-leaf catalog. It puts downright drive into any selling organization. It gives salesmen and dealers something that's termed "the fighting spirit" to get business, hold it, and then get more. For here's what a practical loose-leaf catalog accomplishes.

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and insures the proper margin of profit.

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Originators of the Loose-Leaf System of Cataloging
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~ day ~ by ~ day catalogs
that last year ~ after ~ year



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Merchandise Warehouses
Polk Street Terminal, Pennsylvania
Railroad

E. H. HAGEL, Superintendent

This Issue at a Glance

ADVERTISING

"Investment Bankers Follow Advertising Lead Set by Merchandisers" is the title of an article on page 985 by A. E. Bryson, vice president of Halsey, Stuart & Company, Inc., of Chicago. Mr. Bryson discusses some of the newer trends in investment advertising, pointing out that the investment house has as its most important competitors not other investment firms, but all the companies selling automobiles, radios, furniture, and other commodities.

Twenty-one important business papers have adopted one of the standard page sizes recommended at the A. B. P. conference in New York last year. Page 998.

GENERAL BUSINESS

Corporation tax figures filed with the Government reveal that in 1924 there were 181,032 concerns which operated during that year without profit, against 236,389 which made a profit. This means that, judged on a profit basis, American business is only 56.6 per cent efficient. An interesting analysis of the 1924 returns by lines of business is included in an article by J. George Frederick on page 983.

"Ad-Answering Adventures" and other random ideas gleaned from the editor's desk will be found on page 1008.

INDUSTRIAL MARKETS

"Will 1927 be a Slow Year for the Building Industry?" a *Sales Management* staff writer asked a large number of manufacturers, contractors, trade paper editors, and others in close touch with this field. "No," they answered, pointing out the vast amount of work which will be done in remodeling old structures alone. 1927 will probably be a seven billion dollar year in this industry. Page 977.

INSTALLMENT SELLING

Edward Hines, an executive of a printing company in Detroit, has some interesting observations to make on the installment selling question. A letter to the *Chicago Journal of Commerce* is reprinted on page 1026.

JOBGING RELATIONS

The Liquid Veneer Corporation of Buffalo, New York, discovered that their sales force was doing practically all of the work for some jobbers on the company list, while other jobbers were striving to develop business on their own account. How a card record system managed by three sales correspondents weeded out the unprofitable accounts and helped the salesmen to keep more closely in touch with the live jobbers, is described in an interview with Fred D. Morgan, general manager of the company. Page 1009.

LEGAL MATTERS

"False Hopes Aroused by Some Recent Decisions on Price-Cutting" is another article by Gilbert H. Montague in his series on sales policies and the anti-trust laws. In it he discusses the American Tobacco, Toledo Pipe-Threading Company, and Cream of Wheat cases. Page 1001.

PRICE CUTTING

The latest development in the Owl-Squibb price-cutting battle is a challenge issued by the Squibb Company to put up \$10,000 in behalf of an investigation by the Retail Druggists' Association to get an impartial decision on the principle involved in their controversy. Page 987.

RECRUITING SALESMEN

Can a sales manager successfully hire and instruct a new man and put him to work, after only one short interview, and then leave him in a territory and expect him to produce? Two contrasting methods of hiring salesmen are described in an article on page 978.

RESEARCH

"Could a College Student Pick Flaws in Your Management Methods?" is the title of an article by Edwin E. Troxell, in which the research work being done in the universities is pointed out as an important development parallel with that of the technical school a number of years ago. The importance of having the kind of data which is being accumulated by Harvard, the University of Illinois, University of Kansas, and others, is emphasized. Page 989.

An open letter to the conference on market research from Reimers & Osborn, an advertising agency of New York City, appears on page 1028.

SALES CORRESPONDENCE

Hart, Schaffner & Marx, through a carefully organized and operated mail department, answer every letter the same day it comes in, and achieve a uniform standard for the appearance of all correspondence. How this company controls its mail through a central mail desk is described on page 993.

SALES POLICY

Sales policies of the Gulbrandsen Company, manufacturers of pianos, diverge at many points from the traditional practices in this field: in terms, price policies, number of brands manufactured, and, notably, in advertising methods. These policies are reviewed and discussed on page 975.

Sales policies that put the Globe Stove and Range Company of Kokomo, Indiana, back on its feet after it was tottering on the verge of bankruptcy, form the content of an article on page 1018. This concern came back to peak production in four months after a crisis which looked as though a crash were imminent.

Frank Millhoff, sales manager of the Miller Rubber Company of Akron, Ohio, is the oldest sales manager in the tire industry in that city. Some of his sales policies are touched upon in a short character sketch on page 1024.

SALESMANSHIP

Harold P. Trosper is a star insurance salesman as well as vice president of the American Life of Detroit. For seven consecutive years Trosper has produced more than a million dollars' worth of business annually, and this year he expects to reach the \$5,000,000 mark. Sales tactics he uses to close both big and little buyers are described in an article on page 981.



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CATTIS-PATTERSON COMPANY, LTD.

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Christmas Market

Washington, D. C.

\$5,544,000.00 was on deposit in 26 banks in Washington, D. C., in Christmas Savings accounts by 72,000 persons.

December 1, Washington merchants reported 10 per cent increased sales above same date last year.

In 1924 there were 49,385 Washington, D. C., persons with \$3,000,000.00 in the Christmas Savings accounts.

In 1925 there were 66,279 Washington, D. C., persons with \$4,447,000.00 in the Christmas Savings accounts.

Washington banks report a 25 per cent increase in Christmas Savings over 1926. Washington saves and spends not only at Christmas, but during the year.

Washington banks are advertising NOW in this profitable market.

The Washington Times and The Washington Herald have a net paid daily circulation of 119,962.

Advertise In Them!

WASHINGTON TIMES

and

The Washington Herald



Courtesy The Pullman Company.

RALPH A. SAYRES, a trade analyst and counsel in the radio field, has been elected vice president of Grant and Wadsworth, Inc., New York advertising agency.

FREDERIC S. HIRSCHBACH has been appointed advertising manager of *Theatre* magazine, New York, after serving in the advertising department for several years.

RICHARD MILTON, formerly with the Campbell-Ewald Company, and KENNETH RING, formerly with the Charles H. Touzalin Agency, have joined the staff of Brinkerhoff, Inc., Chicago advertising agency.

JOSEPH BATTEN announces the opening of an advertising agency at 25 West Forty-Third Street in New York. For fourteen years Mr. Batten was associated with his father, the late George Batten, in the George Batten agency.

HENRY GRAPEN on December 1 became director of sales for the Walton School of Commerce, Chicago. For the past year and a half he had been promotion manager of *Sales Management* magazine.

C. P. J. MOONEY, editor of the *Memphis Commercial-Appeal*, died in his office November 22 from a stroke of apoplexy. His death took place just a short time before the publication of a new afternoon paper, the *Evening Appeal*, was begun. Mr. Mooney, who was at one time vice president of the Associated Press, was born in Kentucky in 1865.

B. MCCALLUM, formerly president of the Seneca Camera Manufacturing Company, of Rochester, New York, has become affiliated with the Eastman Kodak Company.

W. ARTHUR COLE, vice president of the Corman Company, Inc., New York agency, has been made a director. He is also president of the American Institute of Graphic Arts. GEORGE H. SHELDON has likewise been made a vice president and director of the Corman Company.

JAMES J. LARMOUR, for the past three years advertising and assistant sales manager of the Health Products Corporation, manufacturer of Feen-a-mint, resigned recently to become president and general

manager of Painpatch, Inc., a company which plans the introduction of a new product confined to the drug trade.

ALBERT A. SMITH, a director of the Corn Products Refining Company and at one time the sales manager of that concern, died in Omaha a few days ago. Mr. Smith had been identified with the Corn Products organization since 1906.

J. B. SMILEY was elected president of the Remington Arms Company and all its subsidiaries on December 1, succeeding C. L. Reiersen. Mr. Smiley became connected with the company last February as chairman of the executive committee.

H. D. JONES has been appointed manager of the W. A. Sheaffer Pen Company's branch at San Francisco, California, succeeding L. A. Kendall.

RAY H. SWINK has resigned as secretary-manager of the Cleveland Advertising Club, a post he has occupied for the past year and a half, it is announced by Frank M. Strock, the club's president.

The Greenleaf Company, Boston advertising agency, announces the addition to its staff of FRED W. JANVRIN. Mr. Janvrin has held managerial positions with the Pittsburgh Plate Glass Company, the Standard Varnish Works and the advertising departments of a number of newspapers and magazines.

RALPH R. BROWNING, president of the Oxweld Acetylene Company and the Union Carbide Sales Company, has been elected president of the J. B. Colt Company, a subsidiary of the Union Carbide and Carbon Company.

J. F. BRESNAHAN, business manager of the New York *World* and *Evening World*, announces the appointment of JOSEPH D. SULLIVAN as assistant business manager, effective January 1. Mr. Sullivan was formerly general manager of the Albany, New York, *Times-Union*.

DODGE BROTHERS, INC., Detroit, Michigan, has elevated JOHN H. MACK from eastern business sales representative to director of national business sales of Dodge Brothers cars.

Sales Management

A Dartnell  Publication

Volume Eleven

Chicago, December 11, 1926

Number Twelve

The Lone Hand vs. the "Me Too" Policy in Sales Tactics

How the Gulbransen Company Pitched Tradition Out the Back Door and Rose to Leadership in Piano Sales

By A. G. Gulbransen

President, The Gulbransen Company, Chicago

IN 1916 when we bought out a tottering piano business and announced to the trade that we were going into the business of manufacturing pianos, two courses were open to us. We could swing into step with the industry itself, appropriate the industry's methods, terms and policies, and operate a business along the traditional lines followed by more than 150 other piano manufacturers.

The other course open to us was to take all the piano manufacturing and selling traditions and throw them overboard and build a set of policies and operating principles of our own.

At first glance the more traditional policies seemed the safer and the easier. It always seems safer to travel with the crowd than to buck the current. But if we accepted the first course we would be just another piano company, hungrily scrambling for business whenever and wherever we could get it, taking what was offered to us on the buyers' terms.

We chose the second policy, and after ten years of following our own plans and policies, I am confident our business would not be one fraction of its present size if we had chosen any other course.

Prior to 1916 we had been manufacturing and selling player actions to many of the leading piano companies in the country. Our product was different from the product of other manufacturers. We had a prosperous, growing business, but no identity with the consumer. We wanted a business where our product would be known to the public, and where we could build up good-will and a reputation which would be one of our greatest assets.

How Volume Has Grown

In 1916, the first year we made and sold pianos, our volume amounted to only 3.1 per cent of the total piano production of the country. In five years we had more than doubled this, for in 1921—considered a bad year for our industry—we sold 6.5 per cent of the industry's total. In 1926 this percentage had increased to 9.8 per cent of all the pianos made and sold in the United States. As this article is being written in early December, it seems safe to say that our sales for this year will be more than one-tenth of the total piano production of the country. There are about 140 piano manufacturers in the United States.

In enumerating and commenting on the difference between our policies and the policies of other manufacturers, I want it understood that I am not criticizing the policies of fellow manufacturers. Many of these manufacturers have enjoyed long and successful careers by operating under entirely different methods from ours. It is natural that we believe our policies to be best for us, just as these other manufacturers think their policies are best for them. So I want to emphasize that it is not with a spirit of criticism that I contrast our policies with those of others.

One of the first points where our policies diverge from the generally accepted method in the piano industry is the matter of terms. Many piano manufacturers sell on consignment. Others sell on terms of twelve months; some allow two years, and occasionally a manufacturer will ship pianos to a dealer and give him three years to pay for them.

With this practice firmly entrenched in the field it is easy to see that when we announced terms of thirty days net, with 6 per cent interest if the account is not paid, there was considerable astonishment in the industry. We shipped

no pianos on terms of more than four months, requiring a trade acceptance if the account was not to be paid in thirty days. We grant a one-half of one per cent discount if the account is paid in ten days.

This policy forced us to sell only to the strongest dealers. The weak dealers who would not go out and sell pianos were automatically eliminated from buying. We obtained the cream of the dealers from the very start. It was nothing uncommon for our salesmen to accompany dealers to a banker and sell the banker on our proposition so that he would get behind the dealer and finance him. In order to do this our salesmen were forced to study and learn the piano business thoroughly, so they could sell not only the dealer, but the banker as well.

One-Price Policy

The second step in breaking away from established tradition in the piano business came when we announced our national price plan. We told our dealers that Gulbransen pianos would be sold at uniform prices in all parts of the country. To insure adherence to this policy we branded the price into the back of every piano that left our plant. With this one stroke we challenged one of the most deeply rooted practices in the industry.

Buying a piano had always rivaled horse trading when it came to price bickering. There were no established values. The consumer could not tell a five hundred dollar piano from a seven hundred dollar piano. So when he went into the market for a piano he did so with the idea that he would have to bicker and trade until he battered down the price. Most dealers spent more time dickering with buyers than they did in creating business.

It was not easy to do away with this practice. But when we explained to our dealers that it was for their protection as well as for the protection of the consumer, they began to fall into line. This made it possible for us to have many dealers in the same city because under this plan the dealers did not cut prices, and one dealer had as good an opportunity to sell as another. Today we have forty

dealers in Chicago alone. Under the old policy of permitting the dealer to set his own price, we would have had to furnish dealers with dozens of brands for our pianos. But as it is they all sell the same brand at the same price and devote their time to creating new business rather than in thinking up tricky schemes to attract customers.

Most piano manufacturers make from six to a dozen or more models of instruments. This policy, it seemed to us, would add to manufacturing costs, burden dealers with extra stocks, and complicate selling. We decided to make only four styles and by sticking to that intention we have simplified manufacturing to the point where we can use the highest quality materials in low priced pianos and make up the difference through the savings in manufacturing on a larger scale.

This policy of making many different models was paralleled by the practice of stenciling pianos with different brands. It is nothing uncommon for a piano manufacturer to turn out many different brands of pianos. A manufacturer will sell to one dealer a piano under one brand and permit the dealer to charge what he pleases for the instrument. Across the street another dealer may be selling identically the same piano, except with another name stenciled on it, at prices ranging from fifty to two hundred dollars higher.

One Brand Name Only

Since we announced our national price policy in 1916, not one piano has ever left our factory without the Gulbransen name. We have never made pianos for mail order houses or for other dealers under any brand other than Gulbransen. In this way we protect the dealer and ourselves against the claim that a certain piano is made by a certain factory and the same as one of a famous name, but branded differently.

One of the most important differences in policy between our company and that of the industry in general is our plan of advertising. Since the fall of 1916 there has never been a month in which

Gulbransen advertising did not run in at least one national publication—that is, a national publication of major importance. Our advertising has been continuous rather than spasmodic, which is the rule of the industry. There may have been times when other piano companies indulged in splurges which apparently overshadowed our program, but for steady, continuous national advertising, no other company has approached us. We have tried to prove (and we have met with considerable success) that the piano industry need have no great seasonal sales peaks. Our confidence in the sales possibilities of pianos as shown by our steady month-in and month-out advertising programs has helped convince dealers that pianos can be sold in good times and bad. In 1921 when sales were slow and many plants were shut down, we did not stop advertising and our sales held up remarkably well, even though some of our friends urged a retrenchment policy.

Gulbransen Advertising

The entire theme of Gulbransen advertising has differed largely from customary piano advertising. We have endeavored to sell music—its beauty and its value in the home, rather than contenting ourselves with trying to sell our piano as an artistic creation. We believe the average person buys a piano because he wants music, not because a piano will last a lifetime, or because it is made by workmen who have devoted their lives to making pianos. Every Gulbransen advertisement strives to create a desire for music in the home. This is our first thought in advertising. After we have created the desire for a piano we believe it is comparatively easy to prove that our instrument is worthy of a place in the best homes, and that it is well made and fairly priced.

Our entire sales program is based on the thought that we must win and hold the consumers' confidence and respect. To do this we try to follow a piano right into the home and see that it gives satisfaction. To complete this policy we realized early in our experience

(Continued on page 1044)

Will 1927 Be a Slow Year For the Building Industry?

“NO” Say Manufacturers, Contractors, Architects and Dealers
Who Are Planning \$7,000,000,000 Building Program

MR. Amos Wilson, who lives in a small town in a southwestern state, was married in 1898 and in 1902 built what was considered one of the finest homes in town. It had a winding staircase, sliding doors, and a fancy arch between the hall and the living room that was the pride of the town. The gables, and little towers, the columns around the porch and the bannisters were as fancy as Mexican fandango. The scroll work and “ginger bread effect” were classics of the prevailing style of woodwork.

But by 1926 this house was a back number. Mrs. Wilson complained that the children were ashamed to bring week-end guests to their home. There was only one bath, and it had no tile floor. The various lighting fixtures were all of the old overhead variety, and there wasn't an extra electric plug in the house for floor lamps, vacuum cleaners, coffee percolators, electric irons, or toasters.

The roof looked terrible; the front porch sagged, and in summer the family keenly felt the need of a sleeping porch. Last spring, in the midst of a building boom in

the town, Mr. Wilson called several contractors to ask for estimates for remodeling the home. One contractor frankly said he had more work than he could do. Another promised plans and estimates in a few days. But the few days strung out to a few weeks and nothing was heard of plans or estimates. Another contractor dismissed the matter by telling Mr. Wilson that it would be cheaper to build a new house than to remodel the old one.

So the remodeling was shelved for a time. But Mr. Wilson heard a lot about the disgraceful conditions under which his family was forced to live. Next to discussions of the deplorable lack of social prestige the family suffered from driving a four-year-old Cadillac, he heard more about the house than any other one topic. So a few weeks ago he again called several contractors and asked for estimates on remodeling. This time the contractors welcomed him



The younger generation won't allow the old folks to live in an old-fashioned place like the one below when remodeling will produce a transfiguration like this one. A vast amount of remodeling will swell the 1927 building program.

with open arms. One came and took him out to visit a model home which had been built by the various building interests in the town. Another called on Mrs. Wilson and carefully went over suggestions with her. And still another submitted a rough sketch, showing

(Continued on page 1038)

Two Contrasting Methods of Recruiting Salesmen

By Eugene Whitmore

HE WAS the sales manager of a big specialty organization that employs salesmen in nearly every large city in the country. These salesmen do not, as a rule, operate out of branch offices, but are resident salesmen, using their homes as offices.

The sales manager had just completed his route list and was in the act of sending carbon copies of it to the various department heads, not forgetting the treasurer, who might have need to communicate with him on his trip.

"I'm just starting out for a swing around the country," he told the writer. "Here's my route. Pretty fast traveling, but I guess I can make it."

I glanced at the route. One day each was provided for the following towns, with a Pullman jump between each city: Leaving Chicago on a Sunday night, he visited Indianapolis on Monday; Cincinnati, Tuesday; Louisville, Wednesday; Nashville, Thursday; Memphis, Friday; Birmingham, Saturday. Over Sunday he rode from Birmingham to New Orleans, leaving New Orleans Monday night for Houston, where he spent Tuesday. Wednesday morning he arrived in San Antonio, and left there that night for Dallas, where he spent Thursday. Friday in Oklahoma City, and Saturday in Kansas City completed the tour, making it possible to be back at his desk in Chicago Monday morning.

Towards the middle of the following week, after he had cleared his desk of the accumulation of two weeks' absence, I had lunch with him.

"Oh yes, I had a wonderful trip," he said in answer to my greeting. "Some of those southern towns are surely booming. Hardly recognized

old New Orleans. That town is going ahead so fast that it is at last beginning to lose its charm and individuality. In a way, it's a shame, too, but you see everywhere the evidence of growth and prosperity. Houston surprised me, too. There's a town that is on its toes! Yes, sir, I am very much encouraged at our prospects for business down there. And I hired some good men, too. I had things all lined up so that I could see the men for each town in one day.

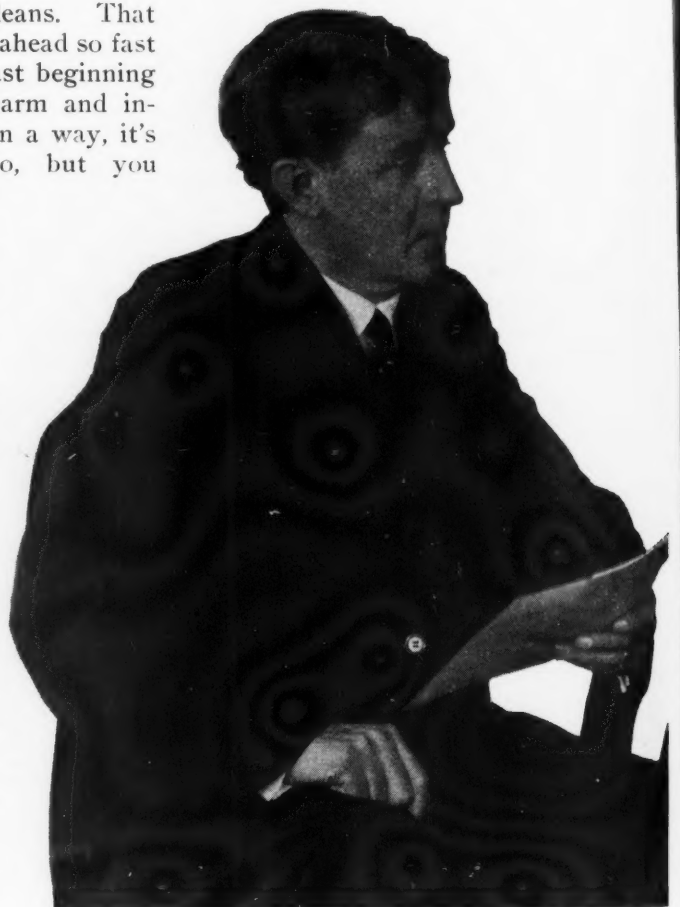
"I hired new salesmen in Louisville, Memphis, New Orleans, San Antonio and Oklahoma City. In the other towns I called on old men and talked things over with them."

We had a delightful visit, and as I went away I reflected on the speed with which he traveled and the manner in which he hired men. Was it possible that a man could go into a town, and in one day interview a salesman, investigate his past, hire him, train him and start him off on the road to production?

In all the cases where this sales manager had hired new salesmen, he hired men who were unknown

to him, either personally or by reputation. A few hours after he saw them for the first time, they were engaged.

Is that the way to hire salesmen? I doubt it. At least I doubt if it is the right way to hire salesmen. In the first place, a man who is immediately available is out of work. He may have been out of work a week, a month or six months. That fact alone is enough to arouse a sales manager's curiosity, if not suspicion. Good salesmen do not remain out of work for long at a time. A really good salesman is usually sought after. In the second place, the right sort of a salesman,



This sales manager has found that a great many important points in a prospective salesman's character and habits which are not revealed in an ordinary interview in the office, will come to light when he arranges a meeting with the man on a more informal footing. This executive usually takes his man for a walk in the business section of the city—with the results described in the accompanying article.



Another disadvantage of this method of hiring men is that the sales manager himself has no time really to become acquainted with the salesman. If the salesman is one of those rare individuals who can go out and start turning in orders in a day or so, all well and good. But such men are as rare as honest prohibition agents. When the new salesman fails to produce quickly, the sales manager begins to wonder if the man is, after all, going to be such a whiz.

Because the sales manager didn't take the time to sell himself thoroughly on the man, he is likely to be impatient. He wants his judgment vindicated in a hurry—he doesn't trust his judgment enough to give the man a fair trial. After a salesman begins to slip, it is often too late to call him into the factory for training. He has already lost

unless he is hard up for work, will not jump into a new job on a moment's notice. He wants to know something about the firm he is representing, its reputation in the territory, its methods of operating, and its dealing with other salesmen.

In the third place, no sales manager can possibly make an adequate investigation of a man in a few hours. He may be able to call up three or four references given him by the applicant, but such an investigation is, at best, only a gesture, for everybody knows that a salesman is going to give names of his personal friends—men who

will speak of him only in flattering terms.

The most damaging part of the procedure is the effect on the salesman himself. When he finds a sales manager who is so in need of men that he will hire one on such a flimsy investigation, who will meet him, chat with him a few minutes and then hire him, the salesman either thinks that the sales manager is desperate for help, or that he is very careless in hiring men. In either case the salesman gets an inflated idea of his value to the firm. He thinks they need him so badly he can impose on them.

confidence in the line and in his own ability to sell it. His first impressions of the line are that he cannot sell it, and those first impressions are difficult to eradicate.

There are few men who can sell in cold blood—that is, they must have a lot of enthusiasm, confidence and knowledge of their line before they can stand up and fight for it, and selling is more of a fight today than ever before. How can a salesman gather this courage, this knowledge and confidence in a line as a result of a short chat with a sales manager? How can a sales manager learn very much about the conditions which a new salesman must face, about his past training, his ability or his method of working, in such a short interview?

It Can't Be Done

The answer is that it can't be done. Now, of course, many sales managers who have developed this habit of making long, hurried trips, fitting across the continent in a few days, will rise up on their hind legs, so to speak, and declare that they have always hired men after this fashion. They will point to the go-getting salesmen they have added to their organization in exactly this manner. They will say they have no time to spend visiting with salesmen. But they will forget about the miserable failures they have hired in this selfsame manner. They will keep quiet about the high rate of turnover that prevails in their organization.

Turnover, they say, is inevitable. As one sales manager expressed it, "Men who are out selling a specialty like ours burn themselves out in a few months. There is no need of trying to keep them—no need of trying to kid ourselves into the idea that we can keep them. So the big idea is to hire lots of men and get what we can out of them and then find others to take their places."

Such a policy is the result of rapid fire methods in hiring salesmen. It is the direct result of such recruiting plans as the one outlined in the beginning of this article. Such plans are behind the oft-repeated statement that it is

necessary to hire ten men to get one producer.

Contrast this method with that of a well-known sales manager in a similar line of business who has a record for keeping the men he hires. When there is a vacancy in a territory, he gathers up all the applications he has from salesmen and asks all of them to meet him a certain time. He allows plenty of time to elapse between appointments.

When a prospective salesman comes to him in his hotel, he usually says, "I'm tired of sitting in a room. Need some fresh air. Suppose we take a walk. We can talk while we are walking as well as we could sitting in this stuffy room."

He already has this salesman's record before him. He knows what he has been selling, where he has worked, and something about his experience. As they start for a walk, the sales manager stops in a cigar store for a cigar or a match. A few blocks down the street he stops to buy a necktie or a pair of garters; a block or so further down he drops into a drug store for some small item.

All the time he is talking to the salesman. He watches to see whom the salesman speaks to, and who speaks to him. He lets the salesman do most of the talking, noting carefully what the salesman talks about and what he observes as he walks along.

Getting Acquainted

If the salesman has been selling, say, a line of shoes, he tries to steer the salesman into the store of some old customer. If he has been selling hardware, he tries to find an excuse to get the salesman into a hardware store to see what his former customers have to say to him.

He tries to get the salesman to take him to lunch in the same place where he has been accustomed to lunching. In this way he sees who the salesman knows, has an opportunity to see how the salesman stands in the community, and learns more about the salesman than could possibly be learned in a formal conference in an office or hotel room.

While they are walking around, the sales manager is pointing out prospects, making comment on the characteristics of the town and asking questions which will, when answered, give some idea as to how the salesman thinks.

This sales manager says, "Any salesman who is seeking a job is likely to be a trifle stiff and formal. He is on guard. He has fixed up answers to the stereotyped questions usually asked by a prospective employer. Even a rogue can often give very satisfactory answers to the stock questions most of us ask salesmen."

Choosing a New Man

"But when you go for a walk with a salesman he slips off guard. His reserve melts away. He forgets to pose and before he knows it, he is himself. If he tries to pose, the nervous strain wears him out. In an hour or so of strolling around a town, I can come to know a good deal about a man. I can get his tempo—learn how he lives—what sort of a pace he sets for himself, both in a business and social way. After this procedure is completed I leave the salesman and make an appointment for him to come back after dinner."

"In the afternoon I go through the same process with another salesman, and ask him to come back later—after dinner or early next morning. This plan may not work so well in the larger cities, but in towns such as Omaha, Des Moines, Canton, Memphis, Louisville and Albany, it works successfully. A salesman will meet just enough of his friends or acquaintances to give you an idea of how he stands in the community, to show you what sort of a mixer he is."

"In one town I remember a salesman who appealed to me at first. But as we walked through the streets of his city, a strange assortment of individuals spoke to him. His friends seemed to be a lot of idlers. I was suspicious. Finally I asked him to take me to his bank and introduce me to some one who would cash a company check. He didn't know anyone in

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Trosper's Tactics Sell

Five Million Dollars a Year

By D. G. Baird

LIFE insurance salesmen who write a million dollars' worth of business a year are considered the stars of their profession. Usually it takes one many years of study and struggle to reach this elite circle and even then he may make it one year and fail the next.

Harold P. Trosper produced over a million during his first year as a life insurance salesman. There have been seven other years since that first one, and he has produced over a million in each of them. This year he has set the five million mark as his goal and had already written three and one-half million of it at the time of this interview. Just incidentally, Trosper is vice president in charge of sales of the American Life of

Detroit in his spare time. Or perhaps his chief duties are executive and he does his selling in spare time. Either way—it doesn't matter; the interesting fact is that he is the vice president in charge of sales and that he does write several million dollars' worth of business personally every year.

In between times, Trosper does quite a bit of reading. He likes to read. He has found reading both pleasant and profitable—particularly magazine reading. One day several years ago, when he was a young attorney, he read a magazine article on the success of H. B. Rosen in selling something like a million dollars' worth of insurance a month; and that's why he

himself has been in the insurance business ever since. He has also kept up his interest in magazine articles.

He was reading a magazine in his home about nine o'clock one evening, for example, when he became very much interested in the story of how a Chicago capitalist had equipped an ideal farm, chiefly for his son, who was but a child. He caught the 10:27 train that night and after a hasty breakfast in Chicago the next morning, stepped into an automobile salesroom and called that capitalist on the 'phone.

Walter Hagen signing an application for a \$500,000 policy, while Harold P. Trosper (seated) points to the well known "dotted line."



The capitalist wanted to know his purpose, but he explained that it was a very important matter—important enough to have brought him from Detroit—and that he was speaking from a public place. Couldn't he come up and explain his proposition personally?

The capitalist was very sorry, but he couldn't possibly see him that day; he was going to his farm in the afternoon. "I'll tell you what you may do, though," he granted as a concession, "you can come in and present your proposition to my secretary, and if she thinks it of sufficient importance, she can arrange for you to come down to the farm."

Getting the Appointment

Trosper flattered the secretary a bit on the confidence her employer must have in her to leave such important matters for her to decide, then proceeded to convince her of the desirability of her employer's taking out a policy that would guarantee that boy an education and a good start in life, regardless of what happened to his father's business or estate. She was very favorably impressed, but wanted to have the opinion of the vice president, whom she called in. Trosper again outlined his proposition, whereupon the vice president said: "I have a son, too; could you do the same thing for him?"

Trosper could and did, then he hurried to catch a train for Palatine to keep an appointment which the secretary had made for him with the capitalist. The farm was about four miles from the station and the capitalist-farmer was to drive in and take him out to the farm.

"That was the only time I ever got cold feet in approaching a prospect," Trosper declared. "Here was this prominent man driving in four miles to meet me and take me out to his model farm without any idea of the nature of my business—and my business was to sell him some life insurance. Imagine how hot he would have been if he had known that!"

Fortunately for the salesman, he had been reared on a ranch and knew live stock, which was his prospect's hobby. They went over the farm and became so interested

in it and the stock that both practically forgot business. They had lunch at the model farm home and finally the man asked the purpose of his visitor's call.

Trosper presented his plan for the boy's future. The prospect listened courteously till he had finished, then challenged him: "Trosper, had it occurred to you that I had never heard of you or your company till yesterday?"

"Yes, sir!" Trosper replied. "On the other hand, millions of people have heard of Sears-Roebuck, while comparatively few have heard of your company, yet would you compare Sears-Roebuck goods with the splendid merchandise you sell?"

That practically made the sale and after the details had been arranged, the client pointed out that nothing had been said about the little girl. As a matter of fact, the salesman had not known of the existence of the daughter, but he fixed up a policy in her favor, too, making a total of \$48,000. The vice president had taken \$24,000 for his son also, and the secretary recommended the salesman to a number of good prospects whom he afterward sold, making the trip all in all a very profitable one.

Trosper's Sales Tactics

Trosper has been particularly successful in selling policies of this type to wealthy men who have young children. A \$12,000 policy of the kind provides an income of \$50 a month for the child till he reaches majority, when the balance becomes due. The alternative amount is \$24,000, with a monthly income of \$100.

On one occasion, Frank Tinney, the comedian, was playing in Detroit and Trosper bet the boys in the office he would sell Tinney before the curtain rose for the matinee that afternoon.

"I've come to talk to you about your boy," he told Tinney when he had got by the doorman and secretary by insisting that he had a personal matter of importance to discuss with him. "I've been thinking of coming to New York to see you, because I knew you had this boy, of whom you are very fond. It would be worth everything

to you to know that this boy's future was positively assured, wouldn't it?" Then the details of a life insurance trust—an assured income that no one could steal or take away from him. He sold Tinney a \$48,000 policy in twenty minutes.

Tinney was going to Chicago that night, however, and Trosper had to follow to take care of the examination details. That trip led to another interesting incident.

"I don't talk business in public places," Trosper said, "and I dislike to force myself on people, but sometimes matters can be so arranged that business will come up naturally."

The Story of One Sale

"On the way back from Chicago, the man across the aisle from me immediately ordered a table, got out a lot of papers, and became very busy. His appearance indicated that he was a man of some importance and it occurred to me that he would be an interesting man to talk with, but of course I wouldn't interrupt him. I noticed cigarette stains on his fingers, though, so I took out a cigarette and sat idly tapping it on the arm of my seat for a time, then got up and went into the smoking compartment."

"Nine out of every ten men get on a train without matches, and I took care to see that there were none in the compartment."

"Pretty soon the man across the aisle followed, as I had expected, and, also as I had expected, he had to ask me for a match. That paved the way for conversation. It so happened that Babson had come out with a recommendation for every business man to carry \$50,000 worth of insurance, and I had a copy of the paper, which I took no trouble to conceal. My companion had read the recommendation and soon we were discussing Babson's reasons for making it. I pointed out numerous reasons, whereupon the man remarked that I seemed to know quite a bit about insurance. I then told him that I was in the insurance business, but I made no effort to sell him. Finally he spoke up of his own accord and

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181,032 Unprofitable Corporations
in 1924 Warn Sales Managers to

Watch Profits

By J. George
Frederick

*and stop driving for mere
volume at any cost*

IT is of almost incalculable value to those who are studying American business, to be able to get at real figures concerning profits and losses in various lines of trade. Until the comparatively recent days of corporation income tax reports, this was quite impossible. Census figures told nothing about profit or loss, and only a small portion of individual companies made any statements. The position of an industry as a whole was hidden from all, even from those within the industry.

56.6 Per Cent Efficient

Even though such material must still be "dug" out of the corporation tax reports and recalculated and tabulated, it is a most significant line of information, not only to the industry involved, but to bankers, advertising men and others. It amounts to the privilege of seeing the consolidated balance sheet of an industry as a whole. The great importance of this becomes clear not only in the light of our more modern habit of thinking in terms of an industry as a whole; but also by the very real modern fact of intra-industry competition. As never before, one industry competes with another industry today. Also, the cooperative movement is now so extensive, and the feeling of solidarity in separate lines of industry so greatly increased, that such figures have many uses and many meanings.

Outstanding in the figures for 1924 now available, is the fact that out of 417,421 corporations reporting (and this, of course, means the great bulk of American business), there were only 236,389 which

made a profit; and 181,032 which not only made no profit, but showed a deficit. The total profit made by these successful corporations was a little over seven and one-half billion dollars; so that, although the number of unsuccessful corporations was almost as great as the successful ones, the profits made were over three times as great as the losses. Business in America is only 56.6 per cent efficient, if profit-making is a measure. There is an appalling number of unsuccessful firms; almost every other business firm is a failure at making profit.

How does this compare with 1923? There were about 19,000 fewer business firms, but, even so, 165,594 firms showed a loss, or 41.5 per cent. Thus is indicated an increase in proportion of unsuccessful firms over 1923, of nearly 2 per cent, although the number of unsuccessful concerns was about 15,500 more in 1924 than in 1923. The number of successful firms increased in 1924 only by 3,000 over 1923. It must therefore be said that the number of failures to make profit in 1924 increased five times more rapidly than the number of successes.

Profit in Beverages

What do we find on examining specific lines of trade? Take profit making as a measure, first. What line of trade shows the highest proportion of companies in that line making a profit? Oddly enough it is beverages and spices (72.3 per cent); while next is the meat packing industry (71.9 per cent). Third is the ice manufacturing business (71.5 per cent). Just what the

electric refrigerating machine will do to this (when its new activity begins to show in 1925 figures) will be interesting to watch. The speed of the beverage industry has been generally known, of course. Fourth on the honor roll is the glove industry (70.9 per cent). These four industries are the only ones which have attained to 70 per cent; seven-tenths of firms in these industries make money.

Advertising Major Role

The paper industry comes fifth (69.4 per cent); and next is the milling business (68.1 per cent). Furniture comes next, with 67.3 per cent. Three others share about equally the next places—fruit and vegetable canning, printing and publishing, and building material; each about 65 per cent. It will be noted of practically all these industries standing at the top of the list that they are all industries calling for considerable outlay of capital and organization.

Out of these nine leading industries in profit-making, the "top notch" depends almost entirely for its life on advertising, the second from the top uses advertising very heavily, while the third one (ice) is an unadvertised industry which is just beginning to act in cooperation to avert its serious downfall at the hands of the new and much advertised electric refrigerator; and the fourth, the glove industry, is also fairly well advertised. The same is true of milling, furniture, fruit and vegetable canning and building material; while the two remaining ones of the top nine (paper, publishing and printing) deal with the very

stuff out of which advertising is made. Possibly no more striking object lesson is to be had than the relationship of these profit-making industries to advertising.

The other industries in the 60 per cent class are bread and bakery products, woolen and worsted goods, carpets and rugs, men's and boys' clothing, hats, rubber belting, paints and varnishes, locomotives, office equipment—and the well-advertised industries predominate in them too.

Taking now the tail-enders among industries in profit-making, we find that, rather surprisingly (until we stop to think of tire conditions in 1924) the automobile tire industry is lowest (35.8 per cent). This low place is shared about equally with cotton goods. Those who range in the forties are butter substitutes, tobacco, silk, machine tools, automobiles, aeroplanes.

Examining for a moment the showing as to average profit made per successful firm, we find, surprisingly, that rubber belting and hose leads the field with an average profit of \$747,240. The locomotive industry is next, and in order follows: sugar, automobiles, artificial leather, tobacco, carpets, automobile tires. The tail-ender is the glove industry (strangely enough); and following this come in order: trunks, women's clothing, celluloid, shirts and collars, men's clothing.

What now about lines of trade showing losses?

The industry showing the largest percentage of its firms suffering deficits is cotton goods (65 per cent). Next is automobile tires (64.2 per cent), (1924 was not a good year in this field). Next is the automobile field (57.1 per cent). The extra-hazardous character of this industry is thus

revealed. Silk is next (54.7 per cent); and aeroplanes came next (54.9 per cent); and then in consecutive order: tobacco, butter substitutes, machine tools, celluloid, shoes, soap, sugar, underwear and corsets, shirts and collars, knit goods, drugs and medicines. The absolute tail-end industry, the one showing the largest percentage of unsuccessful firms in the whole field of business, is (again oddly enough) beverages (27.7 per cent). We have here then the remarkable apparent paradox that the beverage industry is at once the most profitable and also the most unprofitable industry in America! However, this is not really contradictory. The beverage field is one calling for little capital, and therefore failure is easy and frequent—just as success, when accomplished, is striking and extensive. In all El Dorados, where anyone

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Table Showing Profits and Losses in Various American Businesses in 1924

LINE OF BUSINESS	Number of of Firms	Percent Making Profit	Average Amount of Profit Made	Percent Showing Deficit	Average Amount of Deficit	Total Profit in Field	Total Deficit
Bread, bakery products and retail sale	1,400	61.5	\$ 61,042	38.5	\$ 7,423	\$ 52,618,309	\$ 3,993,972
Milling, flour, meal, feed, etc.	1,496	68.1	37,712	31.9	13,531	38,428,357	6,454,488
Cereal preparations, etc.	194	57.7	176,747	42.3	8,433	19,795,627	691,508
Butter substitutes	27	48.1	19,779	51.9	31,911	257,131	446,750
Confectionery, candy, ice cream, etc.	1,440	58.5	53,921	41.5	12,858	47,455,707	7,676,321
Beverages and spices	148	72.3	71,296	27.7	12,268	7,628,718	502,989
Fish canning and preserving	244	56.1	23,925	43.9	20,386	3,277,737	2,181,321
Fruit and vegetable canning and preserving	1,035	65.5	41,623	34.5	12,805	28,220,828	4,571,378
Meat packing, etc.	592	71.9	129,910	28.1	93,540	55,341,888	15,527,752
Sugar making and refining, cane and beet	235	52.7	449,097	47.3	148,325	55,688,058	16,464,139
Ice manufacturing, etc.	1,531	71.5	18,301	28.5	14,100	20,058,569	6,133,515
Soft drinks, etc.	1,530	57.5	21,158	42.5	12,274	18,619,223	7,978,091
Tobacco	518	46.1	391,140	53.9	13,687	93,482,526	3,818,742
All other food products	1,098	57.2	73,066	42.8	17,648	45,885,461	8,294,607
Cotton goods, etc.	976	35.0	83,460	65.0	107,852	28,543,555	68,378,780
Woolen and worsted goods, etc.	531	61.0	109,750	39.0	86,779	35,558,992	17,963,280
Silk goods, etc.	708	45.3	57,205	54.7	47,126	18,362,960	18,237,983
Carpets, rugs, matting, etc.	120	60.8	219,647	39.2	19,205	16,034,250	902,657
Artificial leather, oilcloth, linoleum	32	56.2	440,174	43.8	12,202	7,923,138	170,834
Men's and boy's clothing, suits and overcoats	669	62.5	29,581	37.5	20,258	12,364,981	5,084,873
Women's and children's clothing and suits	1,664	58.5	8,429	41.5	9,496	8,210,038	6,552,485
Hats, caps, etc.	803	63.6	14,688	36.4	13,824	7,505,850	4,036,610
Men's and women's underwear, corsets, etc.	363	53.8	21,265	46.2	15,947	4,146,837	2,679,057
Shirts, collars, cuffs	302	53.6	13,625	46.4	20,807	2,207,305	2,913,058
Knit goods, hosiery, etc.	1,197	54.8	39,093	45.2	24,921	25,684,453	13,457,651
Boots, shoes, cut stock and findings	1,280	52.7	78,142	47.3	31,174	52,745,962	18,860,716
Gloves	31	70.9	6,034	29.1	19,106	132,744	171,956
Trunks and valises	198	57.5	7,057	42.5	10,434	804,596	876,447
Rubber boots, shoes and garments	28	50.0	22,639	50.0	6,579	316,949	92,105
Rubber belting and hose	13	61.5	747,240	38.5	33,473	5,977,926	167,368
Celluloid, ivory, shell and bone	98	50.3	12,520	49.7	18,638	651,046	857,386
Auto tires and inner tubes	134	35.8	282,084	64.2	61,072	13,540,025	5,252,254
Furniture, all classes	1,597	67.3	30,607	38.7	13,744	32,903,074	7,174,776
All paper containers, boxes, bags, wrapping paper, etc.	690	69.4	32,212	30.6	10,700	15,429,889	2,257,827
General printing, publishing, etc.	8,009	65.0	29,424	35.0	8,821	153,304,173	24,690,472
Paints and varnishes, etc.	820	62.4	44,949	37.6	11,621	23,014,097	3,579,429
Soaps	589	52.4	65,700	47.6	18,555	20,301,530	5,195,565
Fertilizers	241	56.8	31,728	43.2	116,888	4,346,800	12,156,362
Drugs, medicines, etc.	862	55.1	64,810	44.9	8,355	30,785,110	3,233,661
Locomotives	27	63.0	572,321	37.0	35,113	9,729,469	351,131
Electrical machinery and supplies	1,553	56.7	143,581	43.3	20,118	126,495,042	13,519,736
Machine tools and metal working machines	667	48.1	38,701	51.9	27,139	12,423,057	9,390,385
Construction, building and excavating machines	539	59.9	71,413	40.1	16,004	23,066,503	3,456,908
Office and business equipment	309	60.5	150,850	39.5	29,042	28,209,071	3,543,186
Building material and supplies	1,200	65.9	42,332	34.1	9,870	33,485,057	4,036,837
Household machinery and equipment	1,320	59.5	134,496	41.5	19,368	103,965,446	10,594,448
Motor vehicles and accessories	1,671	42.9	459,766	57.1	44,522	329,652,642	42,474,573
Airplanes and spare parts	51	45.1	66,431	54.9	23,193	1,527,913	649,401
Musical instruments	351	57.2	83,894	42.8	34,087	16,844,795	5,105,584
Jewelry	807	57.1	42,620	42.9	14,225	19,648,086	4,921,916

Investment Bankers Follow Advertising Lead Set By Merchandisers

The Bond House Which Expects to Get Good Results From Advertising Must Make the Idea of Investing As Attractive and Easy As Spending

By A. E. Bryson

Vice President, Halsey, Stuart & Company, Inc., Chicago

WITH advertisers in the general merchandising field making it so easy and alluring for people to spend money, it should be the investment banker's objective—difficult of attainment, I'll admit—to make investing just as easy and just as inviting as spending. This is particularly true just now, when standards of living are expanding so rapidly. There are few businesses that need good advertising more than the investment business, because it, and its product, are so little understood.

Behind the Times

It is small wonder that a newspaper reader, attracted by a department store advertisement which is attractively made up presenting an enticing picture of the things everyone would like to buy, fails to heed the small "tombstone" card notices that all too frequently pass for advertisements in the financial section of the paper. Or that a man with several thousand dollars to spend will be influenced by the inviting advertisements of automobile manufacturers much more readily than by the present-day syndicate investment advertising with its legalistic verbiage, its complete absence of sales appeal and its frequent unattractive typographical appearance.

For experienced investors, men who make it a point to keep well informed on the investment market, lists of new issues may be all the advertising that is needed, but the less experienced investor is becoming of increased importance, and it is to him that the bond houses and investment companies will have to direct their appeal to a greater and greater extent.

Advertising should not be used generally so much to sell a single issue of bonds as to sell an investment plan, to sell the idea of investing. An investment banker's biggest competitor is not the house across the street but the merchandisers in other lines of business who have products to sell and who make people want to spend. For that reason, advertising copy must be directed to the purpose of making this inexperienced investor—and this often includes the substantial as well as the moderate-sized buyer—want to buy bonds instead of automobiles, radio, house-furnishings or something else.

In spite of the admitted progress made in the investment advertising field in the past ten years, there is little question that all of us have much more to learn about the more effective use of this powerful sales adjunct. And although tremendous advances have been made in the knowledge of investing on the part of the rank and file of the people, few investment bankers who come in contact with an investor would assert that their knowledge is, for the most part, anything more than superficial. The public, in short, still needs education, and no better way of providing it can be found than through a proper coordination of sales and advertising effort.

Advertising Is Needed

From the viewpoint of the investment banker, there are excellent reasons why advertising should be employed extensively and intelligently. In the first place, there is the matter of constantly widening the market and reducing selling costs. Admittedly, selling in the investment business is expensive, and it is becoming more

so since the smaller buyer has become a factor.

There are several reasons why investment advertising has never taken the place it should among the activities of investment houses. There is an all too general lack of understanding of sound advertising principles and practice among investment bankers; there is an almost complete absence of methods based on anything more than precedent, tradition, prejudice and hunches, rather than thorough-going, verifying investigations; there is a disconcerting lack of standardized procedure, and there is a very prevalent lack of appreciation of the real possibilities of good advertising properly applied to the problems inherent in our business.

Educating the Buyers

These conditions reflect, no doubt, an occasional unprofitable experience with advertising growing out of the misapplied methods that would naturally result from an inadequate knowledge of advertising. The biggest obstacle, however, is the prevalent traditional aloofness toward advertising that still characterizes the attitude of many investment bankers.

While there are outstanding examples to the contrary, it will be admitted that, as a general rule, the investment advertiser is not a good advertiser. He is not a good advertiser because, as we have seen, he often does not understand advertising fundamentals; because he relies too much on inadequate and sometimes actually incompetent advertising service, and because he is unwilling to place a really capable advertising man in charge of this department of his business the same as he engages

Many of the great national underwriting houses, which should be undertaking the important task of educating the American public to the merits of good securities and the necessity of consistent investing, are doing little or nothing, aside from their stereotyped announcements of new offerings, which even they admit have a restricted appeal. Others of these great national institutions are dabbling mildly and ineffectually in

The successful experience of those investment advertisers, who have learned something of its possibilities and its limitations, indicates that there are rewards well worth striving for when this important supplementary force is properly coordinated with other sales efforts. One of the chief reasons why investment advertisers

In order to stimulate these inquiries, many investment advertisers key their copy, resort to the use of coupons, and practically without exception they invite readers to write in for pamphlets, folders, circulars and whatever sales literature describing particular issues they may have on hand. I can see the advantage, of course, of sending printed matter to interested prospects. We offer to send our literature to the readers of our advertisements, but we do not believe that the real purpose of our advertising is to stimulate these requests.

(Continued on page 1035)



NEW WACKER DRIVE in Chicago, transforming a dilapidated section of the "Loop District" into a magnificent business thoroughfare, is typical of public improvements being accomplished throughout the country—financed by tax-secured obligations. Such bonds, issued by cities, counties, states, etc., are termed "Municipals." They are known for safety and are exempt from federal income taxes.

Among the great variety of such offerings the investor can choose and diversify to advantage, the same as in other fields of investment. Different types of municipal bonds vary in price and yield, sometimes without marked difference in security. Thus, the investor gains by studied selection.

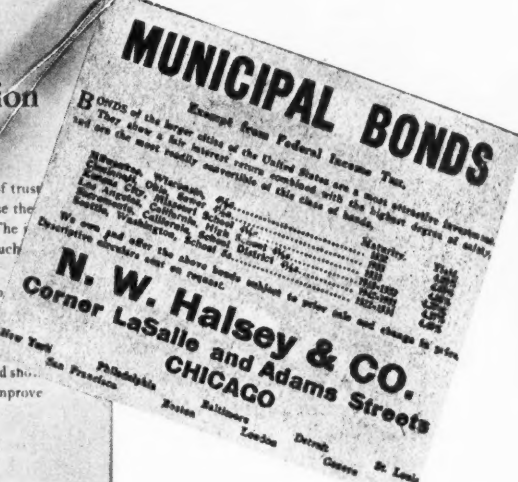
Certain municipal issues favored for investment of trust funds, or by insurance companies and banks, because they meet legal requirements, yield a minimum return. The individual investor seldom needs to concentrate on such issues; to do so may be a luxury.

In building up a well balanced list as to kind and lo-
it is an advantage to deal with a house whose underly-
this field are extensive. Halsey, Stuart & Co. cat-
the variety to fit individual needs. We shall be
make an analysis of your municipal bond holdings and sho-
graphically what changes, if any, could be made to improve
ing or broaden security.

May we send you our pamphlet, "HOW TO JUDGE MUNICIPAL BONDS"? Write for pamphlet xxx.

HALSEY, STUART & CO.

CHICAGO 202 South La Salle St.	NEW YORK 14 Wall St.	PHILADELPHIA 122 South 15th St.	DETROIT 602 Griswold St.	CLEVELAND 909 World Ave.
ST. LOUIS 110 North 4th St.	BOSTON 51 Devonshire St.	MILWAUKEE 436 East Water St.	MINNEAPOLIS 602 Second Ave. S.	



These ads illustrate the progress that has been made in investment advertising, and the way in which it can be given sales appeal.

Latest Developments in Owl-Squibb Price-Cutting Battle

Squibb Puts Up \$10,000 and Asks Investigation by National Association of Retail Druggists*

By Roy W. Johnson

AS noted in the November 27 issue of "Sales Management," a fight is on between E. R. Squibb & Sons and the Owl Drug Company that bids fair to assume the proportions of a Battle of the Sesquicentennial. Squibb has hit upon the novel, and apparently entirely legal expedient, of enabling the local independent druggist to meet the price cuts of the chain, instead of vainly trying to prevent the chain from cutting. This takes most of the joy and gladness out of the enterprise, and it is evident that the Owl does not altogether relish it. So little is it relished that last month the Owl found it advisable to issue a manifesto to the drug trade, pleading injured innocence, and offering to donate a thousand dollars to anybody who could disprove it. Irrespective of what anybody's views may happen to be on the subject of price-cutting, I think that a manufacturer who can draw an alibi like the following from a chain store outfit is entitled to considerable credit:

The Owl Announcement

"To the Drug Trade:

"Much publicity through the press and before various drug organizations has been given to the severing of buying relations of the Owl Drug Company and E. R. Squibb & Sons.

"These announcements have in some instances so grossly misrepresented the actual facts that we take this occasion to put before you the situation which really exists.

"Until recently the Owl Drug Company bought directly from E. R. Squibb & Sons all of their

merchandise and gladly conformed to Squibb's wishes in its sales policies. Recently we learned that although we are one of the largest distributors in the United States, we were not enjoying Squibb's best prices, and it has always been a matter of principle with us that we should purchase all commodities at a price equal to that at which the merchandise is sold to any other organization in the country.

"This effort on our part has been accepted and conformed to by at least 99% of the manufacturers of nationally known merchandise distributed through drug stores.

Squibb's Reply

"E. R. Squibb & Sons were willing to grant us this price, conditional, however, upon our purchasing a definite amount of their products and conditional upon our giving Squibb's products preference in our stores over all competing merchandise.

"This we were unwilling to grant and therefore discontinued buying Squibb goods direct from E. R. Squibb & Sons.

"The above is the whole and plain truth of our controversy with E. R. Squibb & Sons.

"In order that you may have no hesitancy in publishing this statement, we hereby agree that if E. R. Squibb & Sons, or anyone else, before any neutral body will disprove these statements we will donate \$1,000 to the National Association of Retail Druggists.

(Signed)

THE OWL DRUG COMPANY,
W. M. Berg, Secretary."

To this ingenious and disarming manifesto Squibb replied in a letter to the National Association of Retail Druggists, somewhat in

the vein of the old rhyme, "It is all very well to dissemble your love, but why did you kick me downstairs?" Squibb's reply is quoted, in part, below:

"Can the Owl Drug Company, or anyone else, question Squibb's right to quote a price conditional on the purchase of a definite amount of Squibb products, or to quote a price conditional upon the sales effort which the purchaser places behind Squibb products?

"Can the Owl Drug Company, or anyone else who has watched the price-cutting campaign that the Owl Drug Company has been waging against Squibb products and against druggists who are handling Squibb products, ignore this campaign and say that all the Owl Drug Company has been doing has been 'to discontinue buying Squibb goods direct from E. R. Squibb & Sons?'

"Can the Owl Drug Company, in its effort to escape from the publicity that this price-cutting campaign has brought down upon the Owl Drug Company from the press and from drug organizations throughout the country, claim that all this publicity has 'grossly misrepresented the actual facts?'

Seeks Verdict From Trade

"Can the Owl Drug Company, in its effort to escape this publicity, draw a smoke screen around its price-cutting campaign, and suppress all mention of it in its public statement, and then claim that this statement is 'the whole and plain truth of our controversy with E. R. Squibb & Sons?'

"We desire to obtain the verdict of the retail trade not merely on these questions, but also on the much broader issues as to whether Squibb as a manufacturer is right

*Squibb's proposal described in this article is an answer to the bulletin quoted in another article on page 1029.

in maintaining the American principle of equal opportunity in business for the independent retailer as against this demoralizing price-cutting chain store organization, or whether the Owl Drug Company is right in demanding preferential terms while refusing to accept contractual obligations of any kind, which obligations are part of every other Squibb distributor's contract in the country, and are necessary to assure not only to Squibb, but also to the retail trade, and to the public, a sound, sane and fair business basis.

"Squibb wants the public, the trade and the manufacturer to learn the facts in this case as fully as possible.

Puts Up \$10,000

"Squibb believes that the retail trade ought to know whether the aspirations of this destructive price-cutting chain are leading to the un-American and undemocratic creation of a monopoly, which, if allowed to grow unrestrained, will exterminate, first, the independent retail druggist, second, the wholesaler, and third, the independent manufacturer who is not willing to become the tool of this price-cutting chain and ultimately its servant.

"Squibb believes it will be interesting to know whether the drug trade and the public desire to scrap all the constructive work that has been done in building American industry on a democratic basis of broad competition, fair profit, quality merchandise and worthy service to the public, and foster in its stead a monopoly controlling all sources of distribution and manufacture.

"Squibb believes that no one is so well equipped to decide this issue in a full knowledge of the facts as the pharmacists who compose the National Association of Retail Druggists.

"E. R. Squibb & Sons submits, therefore, the following proposition to your association:

"That each party to this controversy, namely, E. R. Squibb & Sons and the Owl Drug Company, shall deposit ten thousand (\$10,000) dollars with the executive

committee of the National Association of Retail Druggists.

"Squibb suggests this larger sum because the one thousand dollars offered by the Owl Drug Company is manifestly inadequate to cover the expenses of any complete or thorough investigation.

"That upon deposit of the sum of ten thousand dollars by each of these parties, the executive committee of the National Association of Retail Druggists shall appoint from the members of the association a jury consisting of five men, which shall hold in Chicago, at the association's headquarters, an investigation for the purpose of thoroughly examining not only all the questions and issues we have outlined above, but also the entire conduct and purposes of the House of Squibb and the entire conduct and purposes of the Owl Drug Company in respect of all the acts and transactions of either party relating to the price-cutting campaign now being waged by the Owl Drug Company against Squibb merchandise and against retail druggists who are merchandising Squibb products in the territories served by stores of the Owl Drug Company.

Will Owl Accept?

"That as soon as the investigation is completed, the jury shall, by majority vote, render a verdict as to which of these two parties has taken the highest stand for American principles of business conduct, and as to which has best served the medical and dental professions and the consuming public in the most important function for which the retail drug trade exists, namely the protection of the public health.

"The jury shall render a verdict as to whether E. R. Squibb & Sons, or the Owl Drug Company, deserves the approval in this controversy of the retail drug trade of America. When this decision is rendered, the \$10,000 deposited by the losing party to the cause shall be forfeited to the National Association of Retail Druggists to be used to defray the expenses of the association in its carrying out of the investigation, and any remaining part shall belong entirely

without restriction to the treasury of the association.

"To the party receiving the favorable verdict of the jury, shall be returned the \$10,000 deposited by that party.

"We shall appreciate it if you will immediately consider this proposition from E. R. Squibb & Sons and if it meets with your favor, communicate said proposition to the Owl Drug Company. We hold ourselves in readiness to take up with your association the completion of all details involved in carrying out the proposed investigation and shall be prepared to appear before the jury and furnish all evidence or information within our power.

"Very respectfully yours,

"E. R. SQUIBB & SONS,

"(Signed): Carleton H. Palmer,
"President"

A Principle Involved

Up to the hour of writing the offer has not been accepted, and I don't fancy that it will be. Squibb, however, as I happen to know, is doing all in its power to force the issue, and there is a very good chance that the manufacturer will demonstrate something of a rather broad interest in connection with the price-maintenance question.

The important point, of course, is not this exchange of charges and counter-charges, but the policy that has so wounded the sensibilities of the chain store. If Squibb can demonstrate the manufacturer's right to protect the independent retailer who is compelled to meet a price-cut in his neighborhood, a good deal of the incentive for predatory price-cutting will be removed. The price-cutting fraternity will not be quite so keen for the practice, in all probability, if they know that the manufacturer who is really in earnest can take most of the glory out of it, simply by authorizing the near-by independent retailers to meet the cut. Incidentally, the manufacturers who are not really in earnest will be smoked out, and that, in my opinion, will be a gain. There has been altogether too much insincerity in the price-maintenance rumpus anyway.

Could a College Student Pick Flaws in *Your* Management Methods?

What Various Business Men Have Learned by Cooperating With Research Departments in the Universities

By Edwin E. Troxell

WHEN Harry Haynes resigned his job with an eastern shoe manufacturer and opened a shoe store in one of the prosperous little towns in southeast Nebraska, he told his wife that he was going to show the world a thing or two about running a small town shoe store.

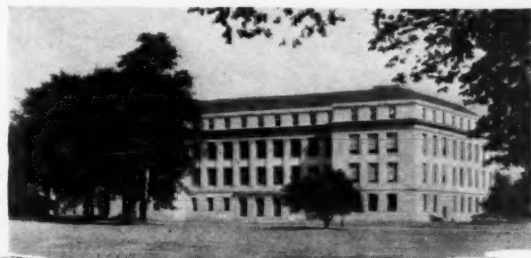
"With my knowledge of shoes and the ideas I have picked up in the years I have been traveling," he said confidently, "I ought to get away big. I know that I have it all over the average man I find in a shoe store in one of these little towns. I have been telling these hicks how to make a living. Now

I am going to use my own ideas to make a living for myself. You just wait and see."

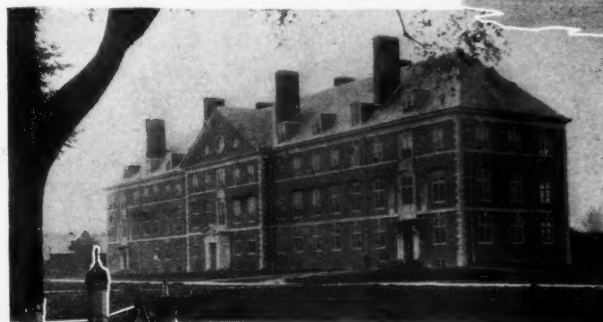
And for three years Mrs. Haynes patiently waited. Harry had the best stock, in the best looking store, on the best corner in town. He was popular. He was a good salesman. He sold twice as many shoes as his one competitor. But he wasn't making any money. In fact, each year found him a little harder up. This not only worried him, but it puzzled him. He had no credit losses and he took in plenty of money. But

somehow at the end of the month there was nothing left. He worked far harder than he had ever worked when he was on the road, and he had a lot less. Harry had about decided that his old sales manager was right—no one ever had made any money in a small retail shoe store and nobody ever would.

One Saturday morning, before



(Bottom) The group on the new McKinlock Memorial Campus of Northwestern University. (Left) Logan Hall, the Wharton School of Finance and Commerce, University of Pennsylvania. (Center) New Commerce Building, University of Illinois. (Right) Commerce Building, Ohio State University.



Not only are students in the commerce schools exploding many of the popular "superstitions" in the business world, but they are collecting a great body of valuable information on operating costs and other important problems.



Haynes had got up enough courage to write to his old firm and ask for his old job, he had a caller. Harry noticed him when he came into the store, and inquired of the one clerk for the proprietor. He was a young man, neatly dressed, pleasant of manner, apparently sure of a pleasant reception. Haynes wondered if he was one of these new types of "psychological salesmen" he had been hearing about. Well, he was in no mood to be sold anything and besides what business had he coming into the store on Saturday?

"Are you Mr. Haynes?" the visitor broke in on his thoughts.

"Yes," Harry answered in his best, "I am busy as hell and I don't want and won't buy a damned thing," manner.

The Retailer Didn't Know

"My name's George Palmer," said the young man. "I am down at the University—College of Business Administration. The Committee on Business Research is now engaged in a study of retail shoe store expenses. Perhaps the Dean wrote you about it."

"No," said Haynes, now curious, "he didn't."

"Well, never mind," Palmer apologized. "Old man's pretty busy right now. Well, I am one of the investigators, and I would like to use your store for one of my cases, if you don't mind."

"Why mine?"

"I hear you are one of the live merchants, for one reason. And then this investigation includes stores in all sections of the state, and in all types of towns. Wouldn't want your town passed up would you, Mr. Haynes?"

"What are you going to do with this information? Spread it all over Nebraska?"

"Certainly not. We keep it entirely confidential. In fact, if you have any fears about that, I will leave your name off my report. I will do better than that, I will change the figures so that you would not be able to identify it yourself."

"Well, what will I get out of it? Strikes me this will take quite a little time."

"Sure," replied Palmer, "but I will do most of the work. These reports are all standardized, and I have the blanks here. All I have to do is to get the information and fill in at the proper places. I'll try not to bother you very much."

"But I don't yet see where I am going to profit. Why should I give you any information about my business?"

"For your own good," Palmer answered. "Do you know whether your cost of doing business is below or above the average cost in this state? Do you know whether your rent is high, low or fair for this location? Can you tell me whether your turnover is higher or lower than other successful shoe retailers?"

"No," Haynes admitted, "I'm afraid I can't. To be honest, I am not sure just what my turnover is. I am not much of a bookkeeper and this business is not big enough to keep one. I sort of carry the details in my head. I don't owe anybody anything, and if I have any money in the bank that represents profit so far as I am concerned."

"Well," observed Palmer without surprise, "that is one way of running a shoe store. Lots of others running it in the same way. I know a dealer in a town not far from yours, though, that made \$12,000 clear profit last year. I expect you didn't do quite that well."

A First-Hand Study

"How much did you say?"

"\$12,000."

"Well, young man, if this College of Business Administration of yours can show me how to make \$12,000 a year out of this joint, you just start right in. What do you want to know first?"

"I didn't say we could do that. But perhaps you will find out some things that you can use—whether you made a profit or had a loss last year, for example. You don't really know now, do you?"

So Palmer went to work. Generally he came Saturdays, although once or twice he visited the store during the week. As the investigation proceeded Haynes became more and more impressed with the

small amount of knowledge that he had about his own business.

"That young college chap is worse than seven small sons," he told his wife good naturedly one night after he had apparently failed to find the solution to some intricate problem in accounting. "He can ask more questions about that store of mine—ours I mean—than any seven men west of the Missouri. He asks me so many things I don't know anything about that I am beginning to be embarrassed. But I'll promise you this—the next time one of these collegians comes nosing about my store I am going to be prepared for him."

Where the Profits Went

"Well, Mr. Haynes," and Palmer laid a report on his desk, "I am through here. I want to thank you for all the courtesies you have extended both for myself and for the committee. In the course of time you will receive a copy of the report."

"What did you find out?" Haynes asked.

"Well, in the first place, instead of making a profit you actually had a loss last year. Your depreciation on your old stock was more than enough to eat up the profit you made on sales. You had a turnover of less than one—about seven-tenths to be exact—and your costs ran better than 30 per cent of your sales. Your profit is about one-half of one per cent on your total volume. Then there is—

"Wait a minute, give me a chance to catch up here. Say that over again—slow this time."

Palmer did. When he left that afternoon Harry Haynes for the first time in his life actually knew all about his business. A few months later he received a copy of the report, giving him a complete analysis, based on several hundred investigations, of the costs of running a shoe store in the state of Nebraska. He had now a definite standard for measuring the efficiency of his own management.

But Haynes was not entirely satisfied. He wanted other standards. From the Bureau of Business Research, Harvard University,

(Continued on page 1042)

How Hart, Schaffner and Marx Speed Sales Correspondence

Why One Concern Regards Every Letter As An Advertisement

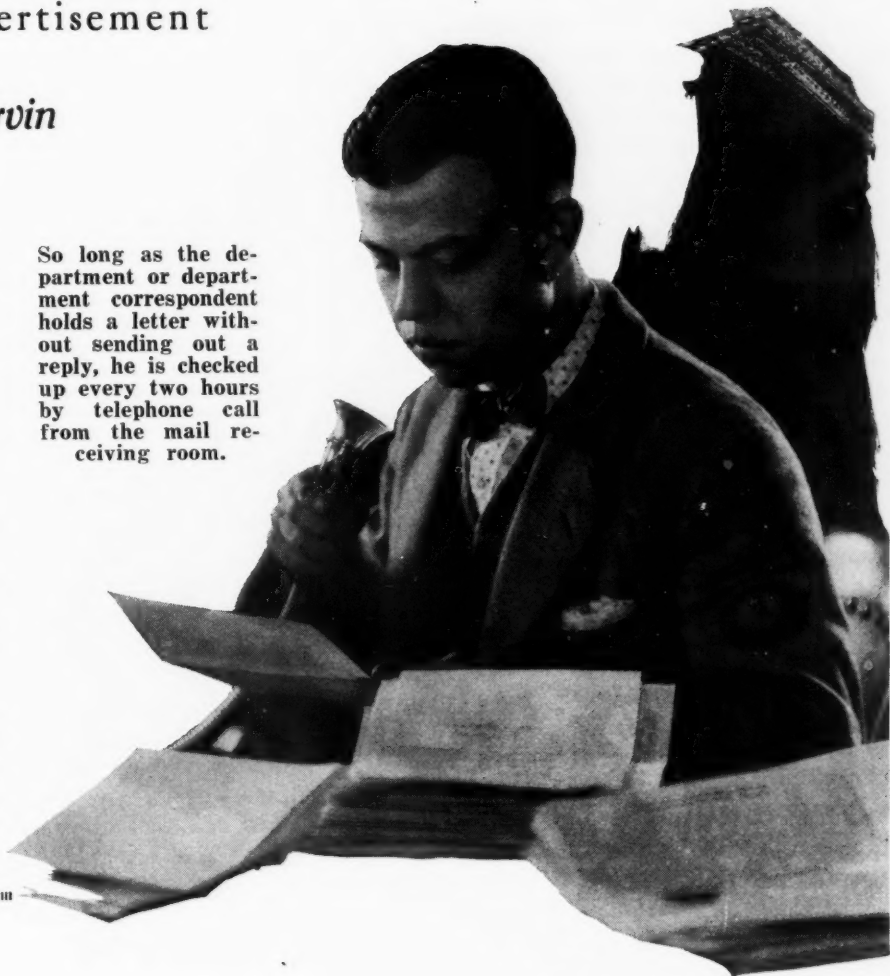
By Roy F. Irvin

WHEN a dealer sends an inquiry or an order to Hart, Schaffner and Marx, he knows that an answer or acknowledgment will be forthcoming promptly. Handling correspondence promptly is, in most concerns, a cardinal rule. The reason why the answers to so many letters and telegrams are late is that every concern does not have a well-defined system for handling this correspondence or for following it up until the answer is on the wire or in the mail.

According to newspaper reports, Northwestern University failed to obtain a coveted contract for an engagement with a big eastern team for next year because somebody went to sleep and forgot to answer an inquiry promptly. When he "came to," the eastern team had filled the open date and Northwestern is still looking for an eastern engagement.

A dealer in contractors' equipment recently had a chance to get his line into a large contracting firm after working the account for several years without getting anywhere. It happened, however, that the initial order included one or two items of a special nature which, while part of a certain line carried by the dealer, were not regularly stocked by him because of their special nature and light

So long as the department or department correspondent holds a letter without sending out a reply, he is checked up every two hours by telephone call from the mail receiving room.



Clean Desks in the Correspondence Department

HART, SCHAFFNER & MARX insure the prompt handling of every letter through:

1. Careful sorting by an intelligent mail clerk.
2. A systematic plan for referring letters to every department interested in the contents of those letters.
3. A rigid follow-up system to see that letters are answered promptly.
4. The operation of a credit control desk in conjunction with the mail receiving room.

demand. On the other hand, the contractor wanted the equipment immediately and to fall down at this point, on the very first order, meant that all the pre-selling on the dealer's part and all his claims for prompt delivery, complete stock, and so on would simply be lost effort.

Accordingly, the dealer wired the factory for immediate shipment of the needed items and asked for telegraphic confirmation of his order together with specific information as to when

shipment would be made. Three days passed without receiving any word from the home office. Meanwhile, the contractor, with unfavorable weather approaching and time penalties hanging over him, became more and more impatient. On the fourth day, he located the equipment he wanted in the stock of a nearby dealer. You can finish the story for yourself.

Things like that happen in the best of well regulated offices. No matter how good the excuse may be, the milk is usually spilled and the damage is done before it is discovered. "Bawling out" the order department or firing a shipping clerk are practices that are sometimes useful after an occurrence such as this for venting spleen or in providing an object lesson. But, as a rule, they do not save the lost order.

A Central Mail Desk

Situations like this are not likely to occur at Hart, Schaffner and Marx. In this organization, the human element in handling correspondence is eliminated or controlled as completely as possible. Suppose a dealer out in Keokuk, Iowa, or down in Miami, Florida, writes an inquiry or an order covering certain items for quick delivery. In the ordinary course of events, his letter would come in with the rest of the mail, be opened, and referred to the sales department or the order clerk. But, in the same mail, there are several orders and inquiries about stocks for immediate delivery, plus a few complaints, perhaps a cancellation or two, reports from the salesmen, etc. That dealer in Keokuk or Miami might get his answer promptly and he might not. There is little question but that he will in the Hart, Schaffner and Marx organization. Here is what happens:

His letter, plus all the day's mail, goes to a central department, 'way up on the top floor, where it is opened—not by the office boy, but by a trained clerk who is thoroughly familiar with every department of the business, what each department does, and how it does it. If the letter pertains to manufacturing, it goes to the

manufacturing department; if it is an order, it goes to the sales department; if a check or relating to payment or credit, it goes to the credit department, and so on.

When the mail is sorted, it is dispatched directly to the various departments through pneumatic tubes. This eliminates any chance of letters being left "in the wrong basket" or lost by the office boy or distribution clerk. The head of each department then goes through the mail, assigning various letters to different members of the department and disposing of each as seems most expedient.

But what happens to the letters from Keokuk and Miami and others of the same nature? How does the company make sure that these letters will receive prompt and unfailing attention?

Before these letters are sent to the various departments they are given a serial number which is stamped together, with the date and exact minute and hour of receipt, where the man assigned to handle it, can easily see it. The number, time and date are also recorded in a follow-up record with the name and address of the individual or concern that wrote it. This record is checked up every two hours until the various numbers are reported back as handled. This report is obtained from the correspondence supervisor through whose hands all out-going mail passes.

Follow-Up for Letters

As long as the department or department correspondent holds the letter without sending out a reply, he is checked up every two hours by telephone call from the mail receiving room. In urgent cases, the letter is placed in a group which is followed up every half hour. Needless to say, these letters are given prompt attention, for it is the aim of the correspondent to clean them up without delay, with every assurance that the mail clerk is going to ask "How come?" until the reply has been dictated and is ready for mailing.

A system such as this might, perhaps, encourage too hasty action, with carelessly dictated letters and sloppy transcription. This

is avoided in the cases of Hart, Schaffner and Marx by a set of fixed standards governing the typographic appearance of every letter and by a correspondence supervisor whose duty it is to guard standards of dictation and pass on all questions involving company policies. Although many letters are written by members of any department, if their handling involves questions of policy affecting other departments, the replies are referred to these other departments before mailing.

Handling "Order Mail"

A letter is received from a dealer, say in Sioux City, ordering a special shipment and asking for swatches of certain suitings. Before the letter is passed along from the receiving room, that portion relating to the swatches is copied on a special form which is marked for immediate handling by the sales department by means of a red sticker, attached to the top of the form so that it is easily seen. The original letter is then sent to the order department and the excerpt referring to swatches goes to the sales department. Both parts of the letter thus get immediate attention at the same time. The dealer in Sioux City gets an acknowledgment of his order and the sample swatches he requested almost at the same time. Contrast this with the common method of holding letters, covering several subjects which require the attention of several departments, in each department until each particular point has been covered.

The numbering system and regular follow-up are used on all correspondence that might be termed "order mail." This includes all correspondence in regard to orders, shipments, samples, advertising matter, credit, inquiries, etc. In many of these cases, the question of credit must be passed upon by the credit department. Here again, every effort is made to expedite replies by the establishment of a credit control desk which works in conjunction with the mail receiving room. This desk is provided with a visible index system showing all regular buyers and their credit rating with the

company. On routine business not exceeding this rating, the credit O. K. is given at this point, thus saving the time required to refer the correspondence to the regular credit department.

Decisions are never made by one department affecting the operation of other departments. For instance, while the credit department will handle the correspondence between the house and a delinquent customer, the collection letters and adjustments are first approved by the sales department. In the case of a deadlock between credit and sales, the final decision is made by the secretary and treasurer. Complaints are handled in a similar manner, although the complaint may fall under the jurisdiction of the manufacturing department or the shipping department, the sales department is consulted and any questions affecting sales or sales policies with the customer are considered before the reply is approved and mailed. On the other hand, there are matters that are assigned to the sales department for handling which are taken up with interested or allied departments before final action is taken.

Standardized Style for Letters

As a natural result of this system for handling correspondence, Hart, Schaffner and Marx correspondence is uniform in appearance. It has an individuality as distinct as the advertising of the company. A typographic standard for company letters calls for a left-hand margin of one and one-half inches, with paragraph indentations of ten spaces. The company, by the way, regards the appearance and content of its letters as a valuable advertising and good will building asset. None the less important is the fact that, instead of passing the buck from one department to another and crossing the wires by having the credit department, for instance, write one kind of a letter while the sales department suggests an altogether different adjustment, the departments in this organization work together, each knowing what the other is doing with full assurance that it will be consulted on any questions affecting its operation or its policies.

The natural reaction to a description of this system might be that unusual confusion would result from a large amount of running back and forth between departments. This, however, is not the case. The point that all departments concerned have a hand in disposing of correspondence affecting them is brought out to show how this company eliminates duplication of effort, misunderstandings, and confusion that result when one department goes beyond its own precincts and makes promises and adjustments, or establishes policies that are better handled by departments organized for that purpose.

Correspondence Personnel

Another factor that contributes largely to the smooth working of this or any other system for handling correspondence is that this concern is little affected by turnover in its dictating and stenographic departments. One official of the company explains this satisfactory situation as follows, and this explanation may serve as a cure in many other concerns which are hampered by rapid turnover in personnel in these departments:

"When we hire new correspondents or stenographers, we try to teach them everything we can about this business, the functions of the various departments, the names of department heads, our typographic standards, our products, and so on. When a girl catches an error or is able to suggest a better method of expression, we compliment and encourage her. We try to make correspondents feel that they have a definite part in the writing of each letter, instead of being merely a human machine for typewriting a given number of letters per day.

"The result is that they become interested in their work and take a valuable part in keeping our correspondence up to the high standard that we have established. In many cases, I simply outline what I would say in reply to a certain letter and allow the stenographer to phrase it in her own words. That pleases her and she becomes actively interested in the business.

"We pay no higher salaries than other concerns and offer nothing in the way of extra inducements, but we always have a waiting list of applicants and our records show an unusually light turnover."

The company abolished a centralized stenographic department some time ago and each department now handles its own correspondence. While there is no definitely outlined training course through which new employees must pass, they are given an opportunity to learn the details of the business by being assigned to as many different duties as possible. For example, a new stenographer in the sales department may first be assigned the duty of distributing departmental mail, carrying inter-departmental mail, gathering finished correspondence for the mailing room and filing department, etc. In this way, she learns the department organization and personnel and relations to other departments.

Training the Sales Letter Writer

From this work, she is assigned to take dictation from the salesmen as they come in to the home office, or from various members of the department. In this work, she becomes familiar with the names of the various customers, what they buy, their likes, and dislikes, etc. Another assignment giving similar training is checking salesmen's reports. As she gains a thorough knowledge of the department, the customers, and the business, she is advanced to more responsible positions and she knows that these await her as she shows the ability to handle them.

Any business does not necessarily have to be as large as the Hart, Schaffner and Marx organization in order to have a well defined correspondence policy. Nor is it necessary to enmesh such a system with endless red tape, complicated record systems, etc. The plan used successfully by this organization can be adapted to any concern in any line of business.

The Associated Business Papers, Inc., announces the election to membership of the "Gift and Art Shop," New York City.

Twenty-One Business Papers Adopt Standard Page Sizes

THE movement among business paper publishers to reduce the number of type page sizes in use to four "standard" sizes, which had its inception at a joint conference last January between representatives of the Associated Business Papers, Inc., The Association of National Advertisers and the Industrial Advertisers Association at New York, is steadily gaining momentum.

During the year twenty-one A. B. P. business papers, including some of the most important, and several others who are not members of the A. B. P., have either adopted one of the recommended type page sizes or have announced their intention to do so with the beginning of their next volume.

These A. B. P. papers are:

Automobile Trade Journal
Automotive Industries
Boiler Maker
Buildings & Building Management
Canadian Automotive Trade
Canadian Grocer
Canadian Machinery & Manufacturing News
Canadian Railway & Marine World
Cotton
Hardware & Metal
Marine Engineering & Shipping Age
Motor Age
Motor World Wholesale
National Real Estate Journal
Purchasing Agent
Railway Age
Railway Electrical Engineer
Railway Engineering & Maintenance
Railway Mechanical Engineer
Railway Signaling
Southern Power Journal

Majority Adopt Standard Size

Of these twenty-one publications twenty have adopted the 7 x 10 size which seems to be the most popular size with advertisers and publishers. Out of 100 publications in the A. B. P. published in a type page size of approximately 7 x 10, 75 have at this writing adopted the standard size for that group. In the pocket-size group two publications out of three have adopted the 3 3/4 x 7 type page size agreed upon at the New York conference. In the large page size three out of nine publications use the standard size for that group, which is

8 1/4 x 11 1/2. The fourth group is composed of publications with a type page size approximating that of the so-called magazine standard page, which is 5 1/2 x 8. All A. B. P. publications in that group are now standard type page size.

Simplification of type page sizes is desired by advertisers and advertising agencies as well as the publishers because it reduces the cost of advertising in business papers, which are becoming more and more used in modern advertising operations. At one time there were as many as ninety-nine different type page sizes used by members of the A. B. P. This meant that an advertiser wishing to use a full schedule of business papers had to prepare ninety-nine different sized advertisements—ninety-nine different sized engravings, ninety-nine different sized electrotypes if he furnished the publications with plates. Under the simplified plan only four different sizes will be needed, and in most cases only two.

Economies in Insert Printing

As an example of the saving to advertisers the advertising and selling field affords a good example. During the year "Western Advertising," heretofore published in a 7 1/4 x 10 1/6 size, has adopted the 7 x 10 standard. Two new publications have started: "Southern Advertising" and "Industrial Marketing." Both have adopted the 7 x 10 type page. As a result, an advertiser wishing to reach sales and advertising executives, can now prepare two advertisements and insert it in the following publications: A 3 3/4 x 7 advertisement for "Printers' Ink" and "Class." A 7 x 10 advertisement for "Advertising and Selling," "Western Advertising," "Southern Advertising," "Industrial Marketing" and "Sales Management." He might even use the same set-up for "Printers' Ink Monthly," which is standard in width but which is one-quarter of an inch over-size in depth. Or

he can set up one advertisement in the 3 3/4 x 7 size and use it as a full page in "Printers' Ink" and "Class," and as a half page in the six 7 x 10 papers.

The saving to the advertiser is especially pronounced in the case of an advertiser using inserts. Because of the standard page sizes in this group an advertiser can now prepare one set of plates and print all the inserts he needs for six publications with one run through the press. If each advertising journal had a different page size, as is the case in some of the non-standardized groups, six different sets of color plates would have to be made, six different inserts would have to be set, and instead of one long run on the press, the job would have to be lifted and made-ready and registered six different times, making the cost of the inserts fully twice as much.

Savings for the Advertiser

The new administration of the Associated Business Papers, headed by J. H. Bragdon of "Textile World" as president, and Merritt Lum as vice president and Warren C. Platt as treasurer, have indicated their intention to do everything possible this year to bring the advantages of complete simplification of type page sizes to the attention of those publishers who are using non-standard type page sizes. J. C. Aspley, of "Sales Management," who has been chairman of the standardization committee of the A. B. P. for the last two years, has been asked to serve another year, and he will be assisted by a committee of seven other publishers. With the growing interest in uniform pages it is hoped by the committee that 1927 will see almost all the papers in the A. B. P. committed to the principle of standardization and a beginning made outside of the A. B. P. to bring all business papers to one of the sizes recommended at the New York conference.

False Hopes Aroused by Some

Recent Decisions on Price-Cutting

A Summary of the Legal Points Involved in the American Tobacco, Toledo Pipe-Threading Company, and Cream of Wheat Cases

By Gilbert H. Montague
of the New York Bar

DURING the past year and a half, the various Circuit Courts of Appeals have decided seven cases involving the practice of refusing to sell to price-cutters. All of these cases were appeals from orders issued by the Federal Trade Commission, and in every case except one, the commission's order was affirmed in its entirety, or with only slight modification. The single case in which the commission's order was reversed, that of the American Tobacco Company, was promptly appealed by the commission, and is now pending before the Supreme Court.

A More Liberal Attitude?

Some of these cases, however—notably the tobacco company case above mentioned, the Toledo Pipe Threading Company case, and the Cream of Wheat Company case—have given rise to hopes of a more liberal interpretation of the law that are scarcely warranted, at least at the present time. Certain trade association executives, and certain trade publications have jumped at conclusions that are scarcely justified in the light of a careful analysis of the whole situation. It may indeed be that some of the language used by the courts in these cases does presage a more liberal attitude in the future, but it is certainly not safe for a manufacturer to act upon such an assumption at the present moment, and it is equally certain that the attitude of the Federal Trade Commission or the Department of Justice has not been changed.

These three cases are worth examining, in view of the fact that manufacturers are now being urged from various quarters to

take action based upon the interpretations referred to above.

The American Tobacco Company case was heard on an appeal from the trade commission's order to cease and desist from refusing to sell its products to jobbers who did not observe the schedule of discounts fixed by the jobbers themselves in a given locality. It was the practice of the company to allow the local jobbers' associations to determine the discounts that should be given, and to let it be known that jobbers who did not observe them would be cut off.

The American Tobacco Case

"It is not alleged," said the court, "and it no where appears that the American Tobacco Company entered into any agreement with other manufacturers fixing the price at which it would sell its products to wholesalers, jobbers or retailers. It at no time fixed the price at which retailers were to sell its products to consumers. The policy of the wholesalers and jobbers was to fix a uniform price at which they would sell to the retailers, and they agreed to allow a certain trade discount of 7 or 8 per cent as the case might be from the manufacturer's list prices. And what the American Tobacco Company did was to refuse to sell its products to wholesalers or jobbers who, having bought its products at a price fixed by it, thereafter sold them to the retailers at a greater trade discount than the Wholesalers' Association had agreed upon. In other words, the policy was to uphold and support the prices of its products as fixed in a particular locality by the wholesalers and jobbers therein. The facts show that where wholesalers allowed a greater discount than that which they themselves in their association had agreed upon the business in the particular locality was demoralized and they were deprived of a fair and legitimate profit. To protect its own interests and enable the jobbers to make a reasonable profit it simply refused to sell to jobbers who sold to the retailers with a greater discount than the Wholesalers' Association had approved. We see nothing unlawful in the policy . . . The examination of the testimony convinces us that what the American Tobacco

Company is shown to have done is so far removed from constituting an unfair method of trade that it actually tended to promote fairness of trade and the suppression of unfairness in competition. Practices cannot be regarded as fair which work the demoralization of the business, and practices cannot be regarded as unfair methods of competition if a manufacturer declines to sell to wholesalers who demoralize the legitimate market by selling at a price which those in the business regard as insufficient to enable the business to be conducted with reasonable profit. The American Tobacco Company was in our opinion within its rights in declaring that it would not sell to jobbers who made it a practice to sell to retailers at a price which made it impossible for the jobbers to carry on their business at a reasonable profit and worked the demoralization of the trade."

The Court's Interpretation

That is the part of the opinion that has perhaps aroused the highest hopes. It is important to notice, however, how careful the court is to emphasize these facts: (1) that the company had not been a party to any of the agreements to maintain prices, which agreements had been wholly arrived at by the jobbers themselves, and (2) that the company had "simply" refused to sell to those who did not observe the agreement, and did not thereafter attempt by "cooperative methods" to prevent price-cutters from obtaining the company's products. As a matter of fact it was, on the evidence, a very close question of fact as to whether or not the company had been a party to the agreements. Had the evidence shown that it was a party to the agreements, there is no doubt that the result of the case would have been different. In any event, the case is now pending on appeal to the Supreme Court, and it is safer to say the least, to suspend judgment on the question.

Change places with the Industry



SIT in the chair of the real buyer in Industry. See Industry through his eyes. Study the things which influence him. Run down the sources of his information.

No matter how else he may keep contact with the developments and trends in his Industry, he is almost certain to place great reliance on the McGraw-Hill publication which speaks for the Industry of which he is a part.

What is back of that confidence? Editorial integrity is the foundation of it. Editorial alertness, editorial accuracy, editorial initiative, editorial helpfulness are contributing factors.

When the naval ammunition depot exploded at Lake Denmark, sacrificing lives and millions of dollars of property, two McGraw-Hill publications pointed to fundamental engineering faults which magnified the destruction. Public safety is the first consideration of the engineer and conscientious editors cannot be indifferent to practices that fail to recognize this fundamental.

When Miami was staggering from the effects

of a devastating storm, and wild stories were spread of the structural damage done, a McGraw-Hill engineering editor was dispatched to the scene for an accurate report and for lessons in construction which the storm revealed.

When a non-technical business man was appointed Director of the U. S. Reclamation Service, a McGraw-Hill publication gathered and compiled information that proved the need for an experienced engineer in that important position. Other agencies took up the cudgels and an engineer again heads the Reclamation Service.

Another McGraw-Hill publication is stimu-

INDUSTRIAL BUYER —for a while

lating enthusiasm and furnishing helpful suggestions to the electric railway industry which is helping itself by recognizing the modern demand for more attractive and more comfortable street car service. Witness, since this co-operative campaign was inaugurated, the staging in Cleveland of the largest and most enthusiastic electric railway convention held in the history of the industry

With the radio the nation's plaything, and a conflict of the air imminent, a McGraw-Hill publication has made a thorough study of the bills before Congress for control of the air. Out of this study has come staunch support of the one bill which, with amendments, will insure to the radio public continuance of the high-class broadcasting which has made the radio a national benefaction and created a new industry.

Fearless, alert, thorough, accurate, often prophetic, these publications voice the sound

thinking of their industries. Men of industry welcome them and read them.

* * * *

On the other hand, it is the same sort of initiative and helpfulness that McGraw-Hill Marketing Counselors manifest in pointing out the need for and the formula by which elimination of waste in selling to industry can be accomplished. This formula, now widely known as the McGraw-Hill Four Principles of Industrial Marketing, embraces the following fundamentals:

- 1—Determination of worthwhile markets
- 2—Analysis of their buying habits
- 3—Determination of direct channels of approach
- 4—Study of effective sales appeals

Any manufacturer may, with benefit, apply these principles to his own selling. Help and data are freely and fully available through the nearest McGraw-Hill office.

Editorial Reader Interest

108 McGraw-Hill staff editors, drawn from industry and trade, know the needs and trends of the fields served by McGraw-Hill Publications.

These editors are located at 9 strategic centers and travel 700,000 miles a year through industry.

In addition more than 3,000 industrial specialists regularly contribute editorial articles on progress and developments in their special fields.

A staff of 467 special news correspondents rounds out a complete editorial service to McGraw-Hill subscribers.

Advertising Reader Interest

105 advertising salesmen, whose first function is to advise on marketing problems, interpret buying habits and buying problems of industry to McGraw-Hill advertisers.

36 seasoned advertising planners and writers and 20 artists, trained in the appeals and mechanics of industrial advertising, co-operate with manufacturers and advertising agencies in making the advertising pages of McGraw-Hill Publications interesting and appealing to the industrial buyer.

McGraw-Hill Publishing Company, Inc., New York, Chicago, Philadelphia, Cleveland, St. Louis, San Francisco, London

McGraw-Hill Publications

45,000 Advertising Pages used Annually by 3,000 manufacturers to help Industry buy more effectively.

CONSTRUCTION & CIVIL ENGINEERING

ENGINEERING NEWS-RECORD
SUCCESSFUL CONSTRUCTION METHODS

ELECTRICAL

ELECTRICAL WORLD JOURNAL OF ELECTRICITY
ELECTRICAL MERCHANDISING

INDUSTRIAL

AMERICAN MACHINIST INDUSTRIAL ENGINEER
CHEMICAL & METALLURGICAL ENGINEERING
POWER

MINING

ENGINEERING & MINING JOURNAL
COAL AGE

TRANSPORTATION

ELECTRIC RAILWAY JOURNAL
BUS TRANSPORTATION

OVERSEAS

INGENIERIA INTERNACIONAL
AMERICAN MACHINIST
(European Edition)

RADIO

RADIO RETAILING

CATALOGS & DIRECTORIES

ELECTRICAL TRADE CATALOG
ELECTRICAL ENGINEERING CATALOG
RADIO TRADE CATALOG
KEystone CATALOG KEystone CATALOG
(Coal Edition) (Metal-Quarry Edition)
COAL CATALOG CENTRAL STATION DIRECTORY
ELECTRIC RAILWAY DIRECTORY
COAL FIELD DIRECTORY
ANALYSIS OF METALLIC AND NON-METALLIC
MINING, QUARRYING AND CEMENT INDUSTRIES

Another feature of this same opinion that has led to considerable speculation is the apparent distinction drawn between agreements to maintain wholesale prices and agreements to maintain retail prices. This apparent distinction was made in another part of the opinion, where the court was referring to the Dr. Miles Medical Company case:

"The facts of that case," said the court, "are clearly distinguishable from the facts in this. In that case the attempt was to control the prices charged by retailers to consumers, and to prevent wholesalers from selling to retailers who sold the goods below the minimum price fixed by the manufacturer. In this case the most that can be claimed is that the company has sought to maintain a uniform price on its products until they reach the hands of the retailers. The retailers are free to sell to consumers at any price they see fit. It does not appear that the American Tobacco Company has concerned itself with the prices at which its goods are sold by retailers to consumers. . . ."

"The Beech-Nut case differs radically from the instant case, in which as before remarked no attempt is made by the American Tobacco Company to compel retail dealers in its products to maintain a price fixed by it in a resale to consumers."

Three Important Points

The Supreme Court may possibly have something to say on this point. But in the meantime, those who are advised to place reliance upon this apparent distinction between wholesale and retail price-agreements should take into consideration three circumstances, which, to my mind at least, rather seriously weaken the authority of the distinction:

(1) The context clearly shows that this attempted distinction was a somewhat casual interpolation, introduced in a subordinate way, and in no respect was it the chief, or even an important, ground of the Circuit Court's decision.

(2) This attempted distinction was contained in an opinion in which only two of the judges concurred, and as to which the third judge concurred only in part.

(3) This attempted distinction is without support in the language of any of the Supreme Court decisions, or any of the other Circuit Courts of Appeals decisions, or any of the District Court decisions, or any of the Federal Trade

Commission decisions, that have ever been rendered on this subject.

The policy pursued by the Toledo Pipe Threading Machine Company was described by the Circuit Court of Appeals as follows:

"Petitioner has no system of express contracts with its dealers to maintain prices or to report price-cutting—and no such contracts at all except in those instances where the petitioner's complaint of price-cutting has brought assurances like the sample letters. Petitioner employs no travelers to hunt down price-cutting and has no system of identifying marks by which it can be told what dealer sold a particular tool: but traveling salesmen naturally and commonly report instances of which they are informed. There is no system by which price-maintaining dealers cooperate with petitioner and with each other to exercise any kind of pressure upon the price-cutting dealer, save only as it is common in such cases to complain to petitioner, and to expect it to carry out its announced plan of refusing to sell to those who continue to cut. Petitioner has no system of taking orders from consumers and turning these orders over to the price-maintaining dealer. Petitioner does absolutely refuse to make further sales to an unrepentant, price-cutting dealer; but there is no system of cooperation or effort to prevent that dealer from buying the tools from other dealers, nor any entry of that dealer's name upon a 'do not sell' list and publication of such list among petitioner's trade."

In spite of this somewhat negative statement of the case, the Circuit Court of Appeals confirmed the order of the Federal Trade Commission, with modifications in some particulars. In discussing these modifications of the order the court used the following language, and these are the passages which have so aroused the hopes of trade association executives and trade publications.

Another Court Decision

"We do have (in the Toledo Pipe Threading Machine case) the general and encouraged practice by dealers to report, as far as they happen to develop, the names of price-cutting and the general practice of refusal by the manufacturer to sell them further unless they agree to maintain the schedule. Whether these things amount to such 'cooperative methods' as between the manufacturer and the dealers as the court refers to in the Beech Nut case, or are merely a refusal to sell to price-cutters, enforced by what so far as has been pointed out as the only available method, is not clear. It is settled that the seller may rightfully say to the price-cutter, 'I have cut you off from my list and I will sell you no more.'

"There seems no reason why this exclusion must be permanent, nor is it obvious that any principle of public policy requires the price-cutter to be forever barred from handling these goods. Yet the difference between his express promise to observe the price hereafter and the implied promise which he quite obviously makes to the same effect if he asks the acceptance of a further order, is not a sharp distinction. It may be that ultimately either the principle that the price maintenance is an evil and may not be accomplished in any manner, or the principle that such a system may be established and enforced in any non-oppressive way, will clearly prevail.

"At present we are better satisfied to think that the facts of this case establish enough of contract and enough of cooperation to bring it, in some aspects, within the Beech Nut rule. As to paragraphs 1, 2 and 3 of the order to cease and desist, there is room to think that the requirement of promises from price-cutters, and the assurances in a number of cases received from them, go far enough to constitute a system of cooperative effort not protected by the manufacturer's individual right of arbitrary selection of customers: and, though with hesitation, we accept that view. As to paragraph 4 . . . subdivisions 2, 3 and 4 specify acts which seem to us to be of necessity, reasonably incidental to the fair exercise of this right of selection.

The Cream of Wheat Case

"They represent the irreducible minimum of means by which one who adopts the policy of not selling his goods to price-cutters may endeavor to maintain that policy, and the inevitable degree of 'cooperation' naturally and selfishly coming from dealers who uphold the system; and they should not be enjoined.

"We are confirmed in this conclusion by observing, when we analyse the paragraph carefully, and compare, upon one side the clear general right of the respondent to refuse to deal further with price-cutters, and upon the other side the prohibitions of this paragraph: as to sub-section one: although respondent *may* for the guidance of its own conduct lawfully formulate its own schedules of desired resale prices with due regard to varying freights, it *may not* lawfully consult its dealers as to what would be fair treatment to them in this respect.

"As to sub-section 2: respondent lawfully *may* act upon any report of price-cutting spontaneously sent in, in his own interest, by a dealer; hence of course it *may* lawfully have the intention so to act; but it *may not* manifest this intention.

"As to sub-section 3: respondent lawfully *may* cut off a reported price-cutter who is, in its own view, contumacious; it rightly *may intend* to do so; but it *may not* inform dealers that it so intends. As to sub-section 4: respondent *lawfully may* discontinue trade with one charged to be a price-cutter, and *fairly may* do so if the charge is true; but it *may not* have its salesmen investigate the truth of the charge and advise dealers thereof. These distinctions do not appeal to us as having any basis in sound reasoning."

Straight Talk on Business Paper Advertising

IN these United States there are quite a number of should-be business paper advertisers who are basing their decision not to use "trade papers" on facts that held good in 1905 and thereabouts. They realize clearly how much times have changed in manufacturing production and in selling and distribution but they do not realize that business paper editorial methods also have changed radically from what they were 20 years ago.

Some of them will tell you flatly that "business papers aren't read—why I've seen piles of a dozen or more still in their original wrappers!" Others will assert "there's nothing in 'em worth reading—just a scissors-and-paste rehash of old stuff." Pin them down closely as to their own reading habits and you'll hear—"Oh, yes, I read the*****, but that's different—I *have to read that* to keep in touch with things!"

Right there is the nub of the whole situation.

Very nearly every man who has the power to make final decisions—decisions which mean whether or not money is to be spent by his company—looks to one business paper as a necessity in his work. The job of the business paper publisher is to make his particular paper the necessity to the largest number of executives in his particular field. How *National Petroleum News* has gone about that task is told in the column at the right—and the *proof* that it has succeeded is told there, too.

NATIONAL PETROLEUM NEWS

MEMBER A. B. C.

MEMBER A. B. P.

PUBLISHED FROM 812 HURON ROAD, CLEVELAND

EDITED FROM
TULSA, OKLA. CHICAGO NEW YORK HOUSTON, TEXAS
904 World Building 360 N. Michigan Ave. 342 Madison Ave. 608 West Bldg.
LOS ANGELES, CALIFORNIA: 628 Petroleum Securities Building

The Oil Industry

THE oil industry is a rapid-fire industry. Developments of nation-wide or world-wide importance can come to pass almost over-night. The whole industry—producing, refining and marketing—is like Siamese triplets, so closely dependent is each upon the other two. News of vital importance can "break" from any one or more of seventeen oil-producing states alone and from as many foreign countries.

Editorial vigilance is the price that must be paid for reader-interest. Editors must be out in the oil fields, in the refinery yards, at the distributing centers and in continual and intimate touch with the central offices of the major companies, alert to every development, ready to get the exact facts and wire them in for immediate publication.

For this purpose National Petroleum News maintains one of the largest editorial staffs among business papers. Editorial offices are maintained in five different key-points from coast to coast. The individual editors are not only able writers—they are oil-men of seasoned experience and ability. They *know* oil.

The result is that National Petroleum News has the largest paid circulation ever achieved in oil publishing—every subscription fully paid in advance. It carries the largest dollar-volume of advertising ever carried by an oil paper. It is the recognized and admitted weekly necessity to thousands of decisive executives—the men who control check books and purchases.

It is read closely, studiously and *consistently* by these men because it has established itself beyond all question as

**FIRST IN READER-
INTEREST**

**NATIONAL
PETROLEUM
NEWS**

Some four months later, an entirely different Circuit Court of Appeals rendered its decision in the Cream of Wheat Company case, upholding and affirming the order of the Federal Trade Commission, but adding to that order certain qualifying provisos. These provisos were added, the court explained, only out of abundant caution, and not because the court believed that they in any way changed the meaning of the trade commission's order:

Provided, however, that nothing herein shall prevent the respondent from performing the following acts:

(a) Requesting its customers not to resell Cream of Wheat at less than a stated minimum price.

(b) Refusing to sell to a customer because he resells below such requested minimum price or because of other reasons.

(c) Announcing in advance its intention thus to refuse.

(d) Informing itself, through its soliciting agents and through publicly circulated advertisements of customers which come to its attention, and through other legitimate means, without any cooperative action with its other customers or other persons, as to the prices at which Cream of Wheat is being sold.

Hair-Splitting Distinctions

Now without attempting to go into a minute analysis of the opinions in either the Toledo Pipe Threading Company case or the Cream of Wheat Company case, it is sufficient to say that both of these opinions go a great deal farther in the direction of liberality than any of the cases on this same subject previously decided. As I have already said, there is of course a possibility that these decisions may presage a more liberal attitude in general towards this particular method of resale price protection. That, however, is a question for the future to decide. There is no objection that I can see to hailing these decisions as the "dawning of a new day" in resale price protection, but it should be clearly realized that even if the prediction proves true, the sun is still a long way below the horizon. There is absolutely no evidence that either the Department of Justice or the Federal Trade Commission are prepared to accept the doctrine set forth in these two cases, while there is plenty of evidence that they are not.

For the benefit of those who are advising manufacturers to take practical action based upon the decisions in these cases, let me indicate how narrow the hair line is that separates legal from illegal activities:

Suppose that the manufacturer, without specifically requesting, soliciting or inviting a particular dealer to give him any information regarding price-cutting, receives from that dealer a complaint regarding a price-cutter. Thereupon the manufacturer investigates this complaint and refuses to sell the price-cutter complained of. According to the two Circuit Courts of Appeals decisions in the Toledo Pipe Threading Machine Company and Cream of Wheat Company cases, this does not constitute unlawful "competitive methods."

The Immediate Outlook

Suppose, however, that this manufacturer, as the result of thus acting upon the above and other similar complaints, becomes known as a manufacturer who is willing to receive and act upon such complaints, and neither says nor does anything to indicate that he dislikes to receive such complaints, or that he is unwilling to act upon them after he has received them. According to the decision in the Toledo Pipe Threading Machine Company case, this probably does not constitute unlawful "competitive methods." But according to the decision in the Cream of Wheat Company case, it undoubtedly does constitute unlawful "competitive methods." From that decision it is plain that, upon such a showing, the court would probably have held that this was a case in which the manufacturer was impliedly requesting, soliciting or inviting complaints from retailers or jobbers about price-cutting dealers, and that therefore the manufacturer who thus received and thereafter acted upon these complaints would be guilty of unlawful "competitive methods."

It ought to be apparent to almost anyone, I should think, that the ground of safety that is staked out by these decisions is a very slender strip of territory indeed. Furthermore, it is a fact that not

an inch of this territory has as yet been conceded by the Department of Justice or the Federal Trade Commission. Still furthermore, the weight of judicial authority is squarely against this doctrine, not only in cases decided in years past, but in concurrent decisions of the Circuit Courts of Appeals, handed down within the past eighteen months. (See in this connection, *Oppenheim, Oberndorf & Co. v. Federal Trade Commission*, 5 F (2nd), 574. (April 14, 1925); *Hills Brothers v. Federal Trade Commission*, 9 F (2nd), 481. (January 4, 1926); *John Moir et al. v. Federal Trade Commission*, 12 F (2nd), 22. (March 29, 1926); and *Q. R. S. Music Co. v. Federal Trade Commission*, 12 F (2nd), 730. (April 19, 1926).)

Please do not get the idea that in presenting this view of the situation I am trying to take any of the joy out of life, or that I mean to pose as a prophet of gloom. There is certainly no objection to anyone's gathering what hope he may from the current decisions of the courts, and there is no reason why trade association executives and trade publications, as well as others, should not endeavor to convince the authorities that a more liberal policy with respect to price protection is just and equitable. But the manufacturer is obliged to conduct his business under conditions as they actually are, not as they perhaps ought to be, or as they possibly may be at some future day.

(Mr. Montague's next article will deal with the practice of refusing to sell to mail-order houses, irregular or "illegitimate" dealers, and to dealers handling competing products.)

1926 Exports Reach New Record

With October exports from the United States aggregating \$457,000,000, the total for the year was brought up to a new high record, according to Department of Commerce figures. While the October figure itself was slightly below that of October, 1925, they were \$9,000,000 greater than for September of this year. The October trade also resulted in a favorable balance of trading amounting to \$74,000,000.



ONLY the wisest and stupidest of men never change—said Confucius. And that applies to advertising schedules, too. We invite all the in-betweens not covered in this Chinese wisecrack to consider earnestly

THE NEWS

New York's Picture Newspaper

Tribune Tower, Chicago 25 PARK PLACE, New York

October Averages

DAILY - - - - 1,162,429

SUNDAY - - - 1,417,741

These are the largest circulations
Daily or Sunday in America

Ad-Answering Adventures

And Other Ideas Gleaned at Random From the Editor's Desk

IF YOU want to see a marvel in follow-up literature, careful handling of inquiries, and persistent sales promotion by mail, sit down and answer a few questionable advertisements—advertisements of products that are supposed to make your hair grow overnight, products that will give athletic, girlish figures to fat women, or courses that will make you the most popular piccolo player in your set. You will get a lesson worth while. But answer some legitimate advertising. Perhaps your inquiries will be answered and then again perhaps you will never hear from it.

Last summer I answered some advertisements of products which are barely within the law. There isn't a day but what my mail box is stuffed with follow-ups. They are the most patient and persistent group of direct mail advertisers I have ever known. But the legitimate advertisers can't be bothered. They send you an indifferent letter and enclose the wrong booklet and then wash their hands of you. Possibly they will give you the name of a "nearby" dealer. One sent me the name of their nearest dealer—nine miles from where I live. If you advertise for inquiries, for heaven's sake, give them a chance to pay out by sending decent answers and well planned follow-ups.

HERE'S a tip for some live advertising man that will not cost him a cent. Perhaps it will start him on the trail of a big account. Doubtless there are difficulties to be encountered, but what big account ever gets under way without difficulties? Preserving apple cider is one of the problems, but perhaps the Mellon Institute can find a better way, just as they found a new sausage casing.

Why not a nationally advertised brand of apple cider? In these piping days of seven-dollar-a-pint-near-bourbon it is a problem as to what to drink and what to leave alone. But no one can object to a good drink of apple cider.

Its merchandising is as abominable as the drink is excellent. Often you'll see a big keg of it displayed in out-of-the-way places where you can buy a drink which will be served in a dirty glass. And in some grocery stores you can buy a gallon or a half gallon in a second-hand bottle or jug without any sort of label. Where it came from, who sold it, and its quality, are a deep mystery until you've paid your money.

It seems to me there ought to be several fortunes for the man or company who markets this delicious drink in an orderly, modern manner—who develops the potential market for it, and creates a national demand through advertising.

AND while we are speaking of advertising opportunities, it may not be amiss to mention figs and pecans—two delicacies that are underadvertised and haphazardly sold. Thousands of acres of figs are being put into cultivation in parts of the South. There may be no oversupply today, but there will be in a few years unless the demand is increased. The same is true of pecans. There is a veritable pecan craze in parts of the South. Small advertising campaigns in season are already under way, but in many markets pecans are poorly merchandised and fearfully overpriced, due to poor distribution methods. Never was there a more delicious nut than a pecan—nor a more beneficial one. A handful of pecans eaten daily is better than all the tonics, cathartics, physics, and

laxatives in a drug store. Some well-trained advertising man will make a fortune by organizing pecan growers and establishing markets and distribution methods on a modern basis.

EVERY sales manager and advertising man who has anything to do with marketing a device with which an instruction book is included, should take a day off and read the instructions. This writer offers five to one that the book will be a mystery and a puzzle to the average buyer of the product, no matter what it is.

A readable and interesting instruction book, adequately illustrated—one that tells the user frankly what may go wrong, and what to do when anything does go wrong—would save a world of dissatisfaction with thousands of good devices and products.

THE paint business is being revolutionized these days, we are told. New products are rapidly replacing many older products. Some of the older companies are being hard pressed to keep pace with the younger ones. Part of every sales manager's duties should be to keep his fingers on the pulse of his industry. Amazing advances in science and chemistry are revolutionizing many old industries. The leader of today may wake up tomorrow and find his leadership threatened by some young company that has discovered new methods or processes.

"WE USED to pour glycerine down the river," said an executive of a prominent soap company recently. "But today the price has advanced and there is an active demand for it since the

(Continued on page 1034)

Liquid Veneer's Plan to Work With the Right Jobbers

How Three Correspondents and a Simple Record System Brought a Solution to the Jobber Cooperation Problem

An Interview by a Member of the Dartnell Editorial Staff With

Fred D. Morgan

General Manager, Liquid Veneer Corporation, Buffalo, New York

A JOBBER usually has many lines to sell and it is hardly to be expected that he devote special effort to any one of them, but when he ceases to sell at all and undertakes to serve only as a distributing station, those whose lines he carries are justified in reminding him that if he expects to dance with them, he'll at least have to shuffle his own feet.

This was how the Liquid Veneer Corporation felt about the matter a year or so ago, when it lost patience with the rather common practice, in many lines, of selling the bulk of its product through its own salesmen to the retailer for delivery through the jobber. The jobbers were doing some selling, of course; or at least they were taking orders for the product but not nearly to the extent the manufacturer thought they could and should.

Records on Jobbers

In the meantime, the manufacturer's salesmen were going right along, selling goods to the retailers and handing over a nice volume of dealer business to the jobbers with a mere stereotyped reminder that the manufacturer was glad to cooperate with the jobber in this way and of course the jobbers appreciated it—which, apparently, they didn't.

At any rate, the Liquid Veneer Corporation had reason to believe that some of its jobbers were not cooperating to the extent they should. This it knew only in a general way, however, for while the company had complete records of what the jobbers were purchasing, it did not know what its salesmen were selling for the jobbers.

The logical thing to do was to install a system of record keeping that would show what jobbers were cooperating and who were not, then to follow up the latter group in an effort to convert them into cooperators. With this object in view, Fred D. Morgan, general manager, got in touch with other leading specialty manufacturers to learn what they were doing along this line, took the best features of their systems, supplemented these with some original ideas, and worked out a follow-up system that shows at a glance every detail of the company's relations with its jobbers. The system has been instrumental in increasing the total mail sales volume to a highly gratifying extent.

How the Plan Works

The heart of this system is a card record of the company's relations with each jobber, consisting of one single form and one double form. The single form is a comparative sales record 8 by 5 inches in size which, in addition to providing spaces for listing a call and expense summary at the top, shows the amount of each product the company's salesmen have turned over to the jobber for shipment to the dealer during each quarter of the year and the total for the year. Each form will serve as a record of three years' business. Opposite each product on the form is a divided space, the upper portion of which is reserved for entering the jobber's purchases of that product, while the lower space is for listing the amount of business in this line turned over to him. Totals are entered in the same way at the bottom of the

column for each quarter and for the year.

Turning this form back reveals the double form referred to, which is an 8 by 9½ sheet with the upper four inches turned down. The face of this turned-down portion provides spaces for keeping a record of order forms, for a call record, and for special remarks. The order forms, which are listed by date, number, and quantity, are for special deals which the company offers from time to time in the form of a combination order all made out for the jobber to sell his customers. The call and stock record is for listing dates and results of salesman's calls, with spaces for checking products sold. An interesting feature of this part of the record is the use of symbols in the result column: "S" for sold, "38" for hostile, "39" for cuts prices, "43" for will order later, and so on; a number is used for every kind of result except a sale.

Classifying the Customers

On the back of this turned-down portion of the form are spaces for entering a running record of the customer's purchases of each product by dates, quantities, and amounts.

The lower portion of the form is a record of dealers orders turned over, including also sales made for the jobber by the company's demonstrations, listed by dates and dollars under each product, totals each quarter being carried forward to the summary on the form first described. At the bottom are abbreviations of the names of the different products, of the kinds of accounts sold, and of promotional work such as advertising matter

May we show you to Boston's

// *What's the matter with the Boston district?"*
the sales manager asks. *"Why can't we get
the results from our advertising there that we
get elsewhere?"* //

TO many manufacturers Boston is a difficult market to sell because the population is so scattered. But if you examine Boston closely you will find that like other districts, it has its key market. And one of the best known principles of salesmanship is this:

"Concentrate your sales and advertising effort upon the key market first. Outlying markets will soon fall into line."

Draw a circle with a 12-mile radius around Boston. Enclosed within this circle is the city's real trading area. Here are the reasons:

Boston's department stores make 74% of their package deliveries to customers living in this 12-mile area. One of the foremost department stores obtains 64% of all its charge accounts in this area.

The population of this 12-mile trading area, numbering 1,567,257, forms almost two-thirds of all the population living within 30 miles of Boston. This popu-

lation is rich—with an average per capita wealth of about \$2,000.

How the Globe concentrates on this key market

Here, within this 12-mile area, the Globe has the largest circulation of any Boston Sunday newspaper. And here the circulation of the daily Globe exceeds that of Sunday. This is the Globe's market.

Because of this uniform seven-day concentration upon Boston's key market the Sunday Globe carries as much department store lineage as the other three Boston Sunday papers combined. And in the daily Globe the department stores use more space than in any other daily paper.

There is a very definite reason for this. The department stores know their local market. They have a daily check on the results of their advertising. They use the Globe first because the Globe's concentration

Of the 30-mile radius around Boston the 12-mile Trading Area contains:—

- 74% of all department store package deliveries
- 64% of a leading department store's charge accounts
- 61% of all grocery stores
- 60% of all hardware stores
- 57% of all drug stores
- 57% of all dry goods stores
- 55% of all furniture stores
- 46% of all auto dealers and garages

Here the Sunday Globe delivers 34,367 more copies than the next Boston Sunday newspaper. The Globe concentrates in this area—199,392 daily—176,479 Sunday.

The Boston Globe

the way Key Market?

upon Boston's key market is reflected in their sales figures.

As they make a closer study of the facts, national advertisers are coming to realize more and more the importance of Boston's key market. That is why in the first nine months of 1926 the Globe carried 27 per cent more national advertising than in the same period last year.

The Globe has gained its preponderance of circulation in Boston's key market simply

by publishing a newspaper that Boston men and women wish to read. Impartiality in matters of race, creed and politics, special features such as its Household Department, sports, editorials, etc.,—these have built the Globe's circulation. A family newspaper that goes into the home—and stays there.

Study the map herewith. It shows you Boston's key market—the 12-mile trading area. To concentrate upon that area buy the Globe.

The Globe leads them all!

Total Advertising September, 1926

Globe	—1,336,052 lines
2nd paper	—1,274,576 "
3rd paper	— 956,062 "
4th paper	— 496,677 "

Nine months of 1926

Globe	—12,014,812 lines
2nd paper	—11,616,917 "
3rd paper	— 9,086,756 "
4th paper	— 3,719,510 "

Dept. Store Advertising September, 1926

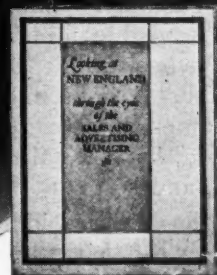
Globe	— 315,604 lines
2nd paper	— 222,416 "
3rd paper	— 211,395 "
4th paper	— 68,901 "

Nine months, 1926

Globe	— 3,102,163 lines
2nd paper	— 2,242,144 "
3rd paper	— 1,906,610 "
4th paper	— 713,691 "



Total net paid circulation
for year ending March 31, 1926
Daily 278,988—Sunday 325,234



May we send you
this interesting booklet?

If selling the Boston market is one of your problems you will be interested in our new booklet—"Looking at New England through the eyes of the Sales and Advertising Manager." We shall be glad to send you a copy on request.

The Globe sells Boston

8716 A Name		Date J.S.L.		No. Men	Catalogue	Prizes	Buyer	Business		
Street		Territory Covered								
Town		Credit:								
State		1st QUARTER		2nd QUARTER		3rd QUARTER		4th QUARTER		NOTES:
YEAR	ORDER FORMS	Call	Expense	Call	Expense	Call	Expense	Call	Expense	
CALL and EXPENSE SUMMARY										

JOBGING					COMPARATIVE SALES RECORD											
PRODUCT	1	2	3	4	Year	1	2	3	4	Year	1	2	3			
Liquid Veneer																
Mop Polish																
Mops																
Wax																
Waxer																
Rat-Nip																
TOTAL																



The heart of the system used by the Liquid Veneer Corporation to pick and choose the right jobbers is a visible card record system which tells the correspondent in charge the exact status of the account of each jobber on the books.

and prizes, below which are spaces for the customer's name and address. A visible filing system is used. A check mark through any of the abbreviations indicates that the customer is in the classification checked, handles the products checked, and so on.

A tab on his card indicates that a customer is a "cooperator," while the absence of such a tab reveals that his performance does not entitle him to this distinction. To be ranked as a cooperator, a jobber must sell approximately two to the manufacturer's one. In other words, if a jobber is an "L. V. Cooperator" (Liquid Veneer), his purchases of this product are at least twice as large as the volume of dealer business in this line turned over to him by the manufacturer's salesmen. All the above information is posted daily by three "correspondents," or "assistant managers of mail sales," from

the daily sales and call reports of the salesman and are followed up by them.

The country is divided into three sections and each correspondent has his regular section and, therefore, his regular list of customers. Each posts shipments, turnover orders to his customers, and his own sales by mail in his card record and each knows the exact status of all his customer accounts at all times.

Each month these correspondents furnish their salesmen with a list of cooperative jobbers in their territories and another of jobbers who are not cooperating in the sense explained above. Each quarter they prepare similar lists showing for each customer the amount of his purchases, the amount of business turned over at the dealer price, the amount at the jobber price, and the percentage of turnover business to this jobber's

purchases. This shows not only which jobbers are cooperating and which are not, but the exact extent to which each is cooperating and the value of each product sold in that territory.

As might be expected, some surprising results are revealed by such an analysis. In some instances it was found that the volume of business turned over to jobbers was actually more than their purchases; indicating that the jobber was cutting down the dealer's orders or not filling them at all. On the other hand, the amount of business turned over to other jobbers was as little as 2 per cent of their purchases, indicating that these jobbers were really selling the product.

Where a jobber's purchases do not even equal the amount of business handed to him gratis, it is obviously poor business to depend on him to supply the trade in his

*The Sale of GRAPE NUTS
Shows a Continued Increase*

There Is Also A Reason Why—

THE CLEVELAND PRESS has the largest circulation of any Cleveland daily newspaper. The Press runs more advertising than any other Cleveland newspaper—daily or Sunday.

The Press runs more grand total, local, amusement, automobile parts and accessories, clothing, dental, department store, educational, furniture, food, heating, household, jewelry, medical, musical, opticians, radio, tobacco and toilet preparations advertising than the daily Plain Dealer.

The Press runs more grand total, local, national, amusement, hotels, restaurant, automobile parts and accessories, clothing, dental, educational, furniture, food, heating, household, jewelry, medical, miscellaneous, musical, opticians, publishers, radio, resorts, tobacco, toilet preparations and classified advertising than the daily News.

The Press runs more local, clothing, dental, department store, furniture, food, jewelry, medical, and opticians advertising than the combined daily and Sunday Plain Dealer.

THE PRESS runs more grand total, local, restaurant, automobile parts and accessories, clothing, dental, educational, furniture, food, household, jewelry, opticians, publishers, radio, tobacco, toilet preparations and classified advertising than the combined daily and Sunday News.

The Press runs more automobile parts and accessories, furniture, jewelry, opticians and radio advertising than the combined issues of the daily Plain Dealer and Daily News.

The Press is a **SELLING** newspaper. It runs more local advertising than the combined daily and Sunday Plain Dealer; more local advertising than the combined daily and Sunday News; it runs nearly eight times as much furniture adver-

tising as the daily Plain Dealer; nearly twice as much as the combined daily and Sunday Plain Dealer; nearly three times as much as the daily News; more than the daily and Sunday News combined.

The Press runs three times as much jewelry advertising as the combined daily and Sunday Plain Dealer—five times as much as the combined daily and Sunday News—nearly twice as much as the daily and Sunday Plain Dealer and daily and Sunday News combined.

The Press runs four times as much radio advertising as the daily Plain Dealer; two times as much as the daily News; six times as much as the Sunday News—more than the combined daily and Sunday News—more than the Sunday Plain Dealer.

THE CLEVELAND PRESS is a six-day **EVENING** newspaper. The Press—alone among the three leading Cleveland papers—makes no rate concessions to resort and travel advertisers; nor does it sell to automotive or other manufacturers or distributors on a cut-rate combination basis.

The Press is the only large Cleveland newspaper to record local, national, classified and total advertising gains during the first 10 months of 1926.

The Press shows more than three times as much gain in national advertising as the daily Plain Dealer and News combined (10 months).

The Press is the only large Cleveland newspaper that has **NEVER** conducted a circulation "contest."

The Press is the **FIRST** advertising buy in Cleveland—for any advertiser, selling any product, to any class of people, at any time.

The Cleveland Press

NATIONAL REPRESENTATIVES:
250 Park Avenue, New York City
DETROIT : SAN FRANCISCO

FIRST IN CLEVELAND



ALLIED NEWSPAPERS, INC.
410 N. Michigan Blvd., Chicago
SEATTLE : LOS ANGELES

LARGEST IN OHIO

territory. He not only is failing to sell the goods, but is actually failing to deliver the orders placed with him. It is sometimes necessary in cases of this kind to handle the dealer orders direct in such territory, but this is done only as a last resort where a cooperating jobbing cannot be lined up.

It may be, for example, that the manufacturer's salesman works a city and obtains several average orders or even one big order. Instead of simply turning these or-

Or it may be that the correspondent, in posting his card records, observes that the amount of turnover business given a jobber since he ordered last almost equals, or perhaps even exceeds, the amount of goods he purchased last. He knows, therefore, without the shadow of a doubt, that this jobber's stock is exhausted or nearly so and that he should reorder at once.

The correspondent immediately writes this jobber a nice letter,

of sales and new accounts that have been opened in this way are recited, many where a single letter brought an order, others where the second letter brought an inquiry and the reply to this closed a substantial order.

The correspondents also secure considerable business from customers that the salesmen fail to land and which might otherwise go to competitors. When a salesman reports, for example, that a given customer will buy later, the correspondent in charge of that territory immediately sets to work to get that order by mail. Or it may be the salesman failed to see the buyer of one house and will not make that call again until he returns on his next trip; the correspondent gets in touch with that buyer and very likely obtains an order the salesman missed.

Backing the Salesmen

In addition to this direct-mail selling, the correspondents help the salesmen in many ways by furnishing them information which they always have on hand, as well as mailing the salesmen carbon copies of every letter written their customer. Tips which the salesmen receive from these carbons have proved invaluable to the men, who close many sales in person as a result. Salesmen are paid their regular commission on all business in their territory, however obtained, so there is no friction between them and the correspondents on this score. On the contrary, the correspondents are highly valuable aids to their salesmen and their work is appreciated accordingly.

The correspondents also maintain another set of records which is a kind of recapitulation of the information listed in the system already described. This second record system is posted semi-annually and shows the distribution of all products by towns, the amount sold personally and by mail in each town, and the amount of jobber sales and dealer sales in each town. It is thus a simple matter to ascertain how much of a given product is being sold in any given town, how much the correspondents

(Continued on page 1048)

To be ranked as a "cooperator" a jobber must sell a volume of goods approximately equal to twice what the manufacturer sells for him. Complete details of the current history of each account are posted daily on forms like these to maintain close contact with jobbing outlets.

ders over to the inactive jobber there, the company says to him, in effect: "There's a good demand for our products in your territory, but you aren't supplying it. We have turned over so much business during the past quarter, whereas your purchases from us have totaled only so much. Now we send our salesman into your territory and he books these nice orders. Do you want this business? If you want the business, we believe you can best prove it by doing some business with us. If we've got to do all the selling, you are failing to earn the liberal discount we allow you for handling and selling the product. Here are orders totaling so much—if you want this business, let's have your stock order to cover this and enough more so you can get behind the goods and keep your trade supplied.

suggesting that he must be about out of such and such a product, and inviting him to place his order at once so he will be prepared to supply the demand for that product in his territory. Jobbers are said often to have replied with thanks for calling their attention to the matter—and they send in the orders.

These correspondents also follow up by mail the jobbers the salesmen fail to sell, and they land a satisfactory number of them. A series of form letters is used for this purpose, the first beginning with, "The report of our representative shows that he had the pleasure of calling on you . . . but did not receive an order," and going on to outline such special offers as may be in force at that time, while the other two are follow-ups along the same line. Numerous examples

in the Center of Business Activity
CITIZENS
TRUST & SAVINGS BANK
LOS ANGELES

**Standard Equipment
on the World's
Finest Cars**

MONITOR.

STEVENS BIDS
WASHINGTON (AP)—Bids received by the Shipping Board for the purchase of four Government tankers of about 10,000 tons each, indicated a decided increase in demand for tankers and a consequent rise in price. The last tanker sale made by the board went on a basis of \$100 per deadweight ton. Largest bids which included offers of tankers and other companies were as high as \$125 per deadweight ton.

WHEALS LOSE REID BIDS
SPECIAL AGENT R. J. REID (AP)—A school of black water eels is easy on these shores, but themselves for more than an hour out of here for two days a week. A school of five slugs, three last summer and were off to coast stations in boats. Fifty years ago whalemen were scarce, but of late years they have been favoring maritime hunting.

Remo

Levy & Menry
NEW YORK PARIS

Priced from Fifteen Dollars.
We will gladly send a booklet
outlining the Sherry vintages.

**oving Carbon-
inding Valves**

an Communist
the Suspension of the Com
LIS, Oct. 13 (AP)—The Com
is in the Prussian Diet
historical and political
to passage by the Diet
for a number of years
and a property settlement
Prussian state with the
colleagues
and on the second reading
the Communists exchanged
members favorable to adoption
measure, said a German
times during the evening
the had to be suspended
members of the Communists

HANAN & SON



WILLYS-KNIGHT GRAND

WILLYS-OVERLAND INC., Toledo, Ohio
WILLYS-OVERLAND SALES CO., LTD. Toronto, Canada
See Your Local Overland or Willys-Knight Dealer

WILLYS-OVERLAND INC., Toledo, Ohio
WILLYS-OVERLAND SALES CO., LTD. Toronto, Canada
See Your Local Overland or Willys-Knight Dealer

Trade Commission Speaks Out of Turn

The Federal Trade Commission exceeds its authority in directing corporations to divest themselves in stock held in other companies in those cases in which physical assets have been acquired. That was the decision handed down two weeks ago by the Supreme Court of the United States, which held that if such acquisition is unlawful the remedy lies in court action other than through the Federal Trade Commission.

This single decision decided three cases involving actions by the commission under Section 7 of the Clayton Act. This section relates to the acquisition by one company of stock in another competing concern where such control would tend to reduce competition.

In two of these cases, involving the purchase by Swift and Company of stock in two competing companies, the Moultrie Packing Company and the Andalusia Packing Company, and the purchase by the Thatcher Company of stock in four competing corporations, the Commission was held to have exceeded its authority.

In these cases the court pointed out that the physical assets of the competing companies had been taken over at the time the orders were issued by the Commission to divest themselves of stock control. "As all property and business of the two companies were acquired by the petitioner prior to the filing of the complaint, it is evident that no practical relief could be obtained through an order merely directing the petitioner to divest itself of valueless stock," said the court in the Swift case.

Marquis Reading Buys British Newspaper

Control of the United Newspapers, including the London Daily Chronicle, with a circulation of nearly 1,000,000, has passed from the hands of Former Premier Lloyd George to a group headed by Marquis Reading, who states that a "progressive liberal" policy will be followed.

Credit Men Find Business Sound

Encouraging soundness is indicated by the monthly credit and business survey conducted by the research department of the National Association of Credit Men.

The survey indicates that production and distribution are progressing at a healthy pace and that there is no marked unemployment. With fair crops, mines producing well and building holding up fairly well, the department reports that basically we are as sound as six months ago. With the Christmas holidays approaching, the department points to the steady purchasing power of the public as an encouraging sign for the near future.

Five-Day Week an Old Story to Saal Company

Following Henry Ford's startling announcement of the five-day week, the fact is brought to light that the H. G. Saal Company, Chicago manufacturer of speakers and other radio equipment, had been operating on a five-working-day week for the past five years. According to the statement of Leslie S. Gordon, president, this company anticipated the Ford plan by five years.

"Man for man," declares Mr. Gordon, "we have noticed greater efficiency. The increase has been especially noticeable in the summer, when the extra day can be spent outdoors. The change was instituted at the request of the workers themselves."

New England Slump Only "A State of Mind"

That New England's so-called slump is merely a state of mind is the conviction of some twelve hundred delegates to the recent New England Conference, where it was pointed out that news of New England's industrial demise had been more than slightly exaggerated. To prove that they had faith in their section of the country the delegates voted to donate the quotas of the six states for the conference treasury and raised \$100,000 for economic research.

St. Louis Managers Hold Conference

The theme of the one-day sales executives' conference, held by the St. Louis Sales Managers' Bureau at the City Club in St. Louis, December 10, was "How to Train Salesmen." Five speakers of prominence were selected to speak on different aspects of this problem, taking up the various points from preparation to closing.

Edwin E. Troxell, associate editor of "Sales Management" and formerly dean of the College of Business and Administration at Toledo University, took the subject "Preparation." H. G. Kenagy, director of training for Armour and Company, Chicago, spoke on "Presentation," and Arthur D. Taylor, president of the Chicago Sales Executives' Association, took the subject, "Close." Other speakers, whose names were not announced until shortly before the conference opened, discussed, "Pre-Approach" and "Approach."

Supreme Court Upholds Lamp Sales

That the General Electric Company is following a lawful method in marketing electric incandescent lights manufactured under patents it controls, was the declaration made recently by the United States Supreme Court. The company, together with the Westinghouse Electric and Manufacturing Company and the Westinghouse Lamp Company, had been charged by the government with an unlawful conspiracy to monopolize interstate commerce and to fix prices.

Chief Justice Taft, in delivering the opinion, said that the General Electric Company had a right to fix the price of the patented article at which the agents should sell and that the relationship between the defendant companies was authorized.

The Egyptian Lacquer Manufacturing Company, New York, has placed its advertising account with the Corman Company, Inc., New York agency. Magazines and trade papers will be used.



"... thrills nations ..."

Not Genius Enough to Go Round . . .

One man paints the great picture. Another makes a cool million in oil. A money-scorning scientist finds a new force in the ether. A diva thrills nations.

But the artists seldom make the millions, nor do scientists star on the concert stage. Occasionally a genius may arise who shines in many roles—but there is not enough genius to go round. So we have an age of specialists—of men who know a great deal about one particular thing, but are very dimly acquainted with an infinite number of other things.

Trade Paper Mind

TIME is a sure cure for what able, active Glenn Frank*

* A.B., LL.D., M.A.—famed young president of the University of Wisconsin; one-time associate of E. A. Filene (often described as "The Wanamaker of Boston") and later editor of a revived Century Magazine.

terms the "trade paper mind"—with apologies to an estimable, useful class of publications.** It offers world contacts as an antidote for the narrowing force of the daily grind. It keeps folks from losing sight of the forest on account of the trees.

✓ ✓ ✓

Ideal Market

So TIME reaches an ideal market for advertised products, since its appeal is to the keen-minded, forward-looking, alert section of the U. S. population. That this section is also receptive to the advertiser's appeal is obvious, since high standards of intelligence and a high standard of living usually go hand in hand. Advertisers' appreciation of TIME's value to them is shown by the fact that only weeklies of more than a million circulation carry more advertising than TIME (circulation 130,000).

✓ ✓ ✓

** Class publications (trade papers) are said to number more than 5,000.

TIME

To Press Tuesday ✓ THE WEEKLY NEWSMAGAZINE ✓ To Readers Friday
Advertising Manager, Robert L. Johnson, 25 W. 45th St., New York City

Subscriptions—not accidents

Every issue regularly is what TIME readers want. Of more than 130,000 families who bought TIME last week, 94.6% were on the subscription list. Only 5.4% bought news-stand copies.



Mark A. Brown, General Manager, The Globe Stove & Range Company.

A Come-Back From the Verge of Bankruptcy to Peak Production

A Change in the Globe Company's Merchandising Policy Wiped Off a Deficit in Four Months, Enabling It to Break Even For the Year

CHANGES in distribution policy, including a rearrangement of salesmen's territories and a reduction in the sales force, improvements in the line of products, and a quick financial reorganization, combined to wipe out a deficit of close to a hundred thousand dollars between September, 1922, and January, 1923, enabling the Globe Stove and Range Company, of Kokomo, Indiana, to break even for the year in one of the most sensational come-backs its industry had ever known.

In common with a great many industrial concerns, the Globe company suffered severe reverses in the depression of 1920 and 1921 following that period known as the "post-war boom." Under the stimulating influence of several large government contracts, the business had over-expanded to such an extent that the beginning of 1922 found it struggling under a staggering debt.

How the company buckled down to the task of removing this debt

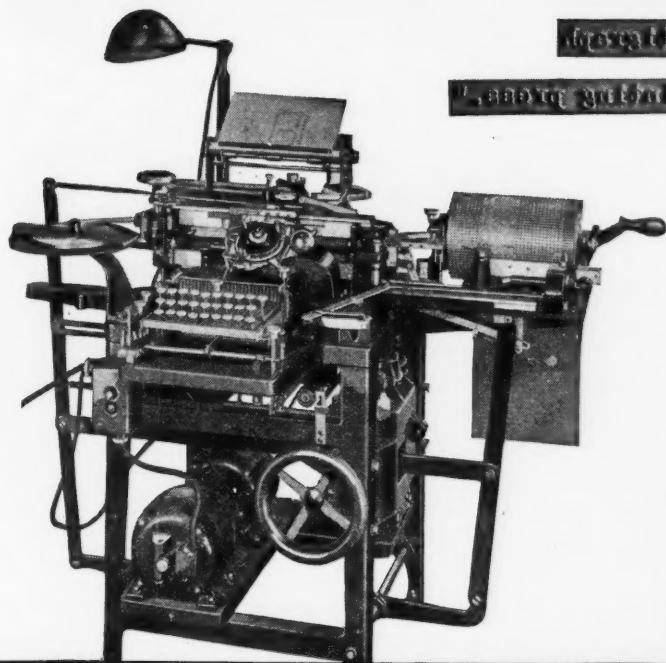
in the face of the diminishing confidence of dealers, its own salesmen and the factory organization to emerge at the close of 1923 with a net profit of 25 per cent, the largest it had ever reached, provides a precedent for other temporarily unfortunate companies to re-establish themselves on a solid footing.

By September 1, 1922, the company was so badly in debt that local bankers had been forced to assume control. Being anxious to keep alive a company which had been one of the leading industries of Kokomo since 1872, and which gave employment to several hundred people, instead of liquidating the bankers chose to issue sufficient bonds to cover the debt. While a large volume of orders was on hand, only about half these orders could be shipped, since the factory had found it necessary to curtail production sharply to guard against increasing its debt further. It seemed unlikely that the remaining orders could be filled that year; in fact,

there was considerable doubt as to whether or not they could ever be filled, as the company was regarded as being on the verge of bankruptcy and few persons expected it to survive the next few months.

That was the situation Mark A. Brown faced when the bankers elected him to the general management of the company in the summer of 1922. Although he had no previous experience in managing a business of the nature of the Globe company, because of his conspicuous success in other manufacturing enterprises the bankers came to the conclusion that he was the man to take up the reins.

When he entered upon his new duties the first of September he found cancellations arriving daily until it seemed that only a small percentage of the large volume of orders on hand could be saved. These cancellations, in addition to the heavy bond issue hanging over the company and the fact that production by this time had almost stopped, made the outlook



At the left—The Multigraph Keyboard Compotype—a machine which is to the Multigraph what the linotype is to the printing press.

Above—Two of the aluminum strips on which the letters are embossed as the operator strikes the keys of the Compotype. The strips are automatically inserted in channels in a thin metal blanket for attachment to the revolving drum of the Multigraph.

Three Extraordinary New Multigraph Products

Within the last year or two, Multigraph equipment has made great strides in variety and efficiency. There is scarcely a business concern of any size which cannot profit by thorough investigation of the three machines shown on this page—and there are other Multigraph models to serve the needs of smaller establishments.

The Addressing Multigraph does what no previous device has done—it prints the body of a letter, signs it, fills in the address and addresses the envelope, in one revolution of the drum.

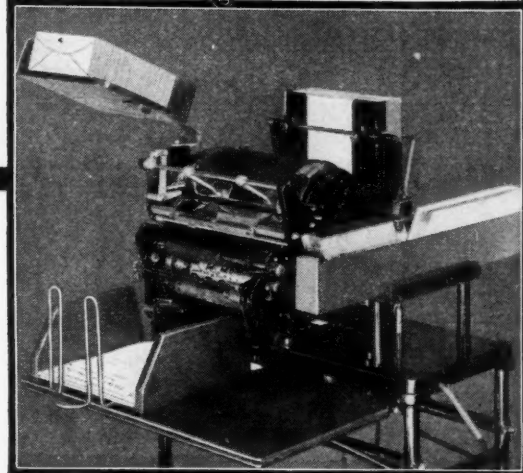
The Improved Printing Multigraph, with its wonderful Davidson Feeder, enables well-known concerns to make savings on printing, imprinting and form typewriting which run to four figures or even more.

The Keyboard Compotype enables the Multigraph user to set up or compose a whole line of type at once and eliminates the need of distribution. It is a great time and money saver. Those whose business justifies it lease the machine from us, others can procure composition service from our Division Offices.

Look for "American Multigraph Sales Company" in your telephone book, or write to address below for literature describing these remarkable new Multigraph products.

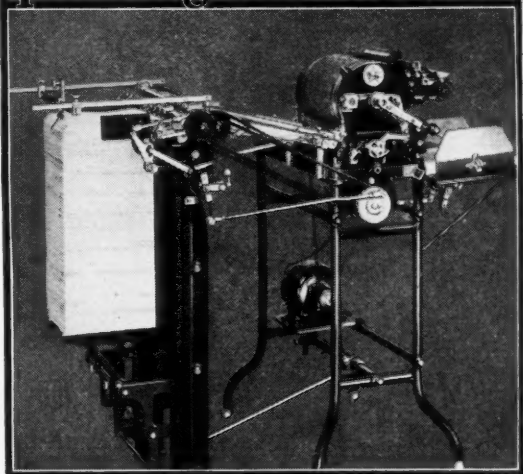
THE AMERICAN MULTIGRAPH SALES COMPANY
1832 East 40th Street
Cleveland, Ohio

the addressing **MULTIGRAPH**



The Addressing Multigraph is one of the notable inventions of this century to date. In a single revolution of its drum it turns out a complete form letter—typewritten, addressed and signed—and also addresses the envelope.

the printing **MULTIGRAPH**



The Printing Multigraph will print direct from type with printer's ink, or through a ribbon. Either process can be from plates composed on the Compotype, or from individual types or from electrotypes. It delivers 4800 impressions an hour.

the **MULTIGRAPH** keyboard compotype

anything but bright for the new general manager.

Before anything could be done, it was essential first that sufficient cash be raised to get the plant back in operation; but since it was obviously impossible to borrow any more money until the market for its products had been stabilized, until orders were received for enough stoves and ranges to keep production up to capacity, Mr. Brown's first task was to put on an intensive sales campaign.

About half the Globe company's business had been done direct to dealers in the states of Indiana, Ohio, Illinois and Michigan, while the other half was handled by jobbers in the states of Wisconsin, Iowa, Missouri, Minnesota, Nebraska and Oklahoma. In analyzing the territory, it was decided that the existing jobbing connections would offer the best field for a large volume of sales in the least time.

Reselling the Jobbers

Mr. Brown, then, determined that he would set out in company with W. S. Toomey, his sales manager, to interview all these jobbers personally and to get their specifications and shipping instructions for goods to be delivered throughout the year. The first jobber called upon had been giving the company a very good volume of business in the past, but as is customary with the jobbing trade, he had been permitted to order goods whenever he wanted them and in whatever quantities were desired. He had not been compelled to carry a large stock, merely ordering shipments to take care of immediate requirements.

The situation was put up to this jobbing company squarely, and Mr. Brown told them that he must get an order containing actual specifications, with definite shipping instructions, for goods to the amount of at least \$100,000. The manager of the stove department and the purchasing agent immediately threw up their hands, stating frankly that there was no use to talk further, as they would never place such an order. It had never been done in the stove business

before, they said; it was unheard of and they could not consent to such an arrangement.

Instead of changing their proposition, however, Mr. Brown and Mr. Toomey showed where that one jobber had been doing much business in Globe products for the past four or five years. Merchandising conditions were undergoing a change, they declared, and unless jobbers placed their orders for an entire year, the Globe company had no other proposition to offer. They agreed that unless four other jobbers would take the same amount of goods at the same prices and discounts, they would be unable to accept this jobber's order, even on the basis mentioned. As a result, Mr. Brown and Mr. Toomey were successful in their first venture, obtaining what they went after, an actual order containing specifications and shipping directions for goods in excess of \$100,000.

This same proposition was submitted to the next jobber interviewed, and, in addition to all the objections encountered on their first call, this particular jobber insisted that Mr. Brown and Mr. Toomey take off his hands about ten carloads of stoves that had proved unpopular with his trade. The price on these ten carloads had declined and he could not sell them. It is a policy of the Globe company, however, to accept the return of no merchandise for credit.

A Point of Policy

The manager of the stove department refused absolutely even to talk about stoves until they had agreed to take the ten carloads. After arguing the question for more than half a day, the Globe men finally went over his head to take the matter up personally with the president of the company. Here they met with the same arguments. It so happened, though, that they had some inside information regarding this particular concern, which also handled groceries. It had been pretty heavily stocked with sugar, and when the slump came along it had suffered a loss of over \$1,000,000.

"You handle a line of groceries, also, I understand," said Mr. Brown.

"Yes, we do," agreed the jobber. "And didn't you go in a little strong on sugar a year or two ago?" The jobber said that this fact, too, was correct.

"I heard that you had a loss of over a million dollars when the slump came on," persisted Mr. Brown, to which the jobber likewise agreed.

"Well, I don't see any difference between the sugar business and the stove business," he said.

That ended the argument. The president told the manager of the stove department that he didn't see where they could afford to hold out any longer and instructed him to make out the order.

With two of the five necessary jobbers all lined up for \$100,000 worth of business, the representatives of the Globe company marched on the remaining three. The three houses were booked in one, two, three order.

Raising the Money

In less than a week from the time Mr. Toomey and Mr. Brown left Kokomo they had returned with orders for more than half a million dollars worth of stoves, ranges and furnaces!

Armed with these orders Mr. Brown began to cast about for ways to obtain immediate capital. Basing his argument on the fifty years' experience and reputation of the company and on the stability of its dealer and jobber organization throughout the Central and Middle West, he finally won the support of a Chicago bank, which agreed to supply \$50,000 with the provision that he was able to raise a total of \$400,000, the sum officials of the bank believed necessary for putting the business on a substantial basis.

Going next to New York, he obtained a \$100,000 loan under the same conditions, which was followed by loans from two other Chicago banks of \$50,000 and \$100,000 respectively. This left but \$100,000, which he had no difficulty in getting from Kokomo bankers. This \$400,000 was raised in the remarkably short space of a few weeks, and the plant was put into full production at once.



“A horse, a horse . . .”

When is a Horse worth a Kingdom?

YOU can buy a good saddle horse today for about three hundred dollars. In Shakespeare's time a horse was worth even less.

Yet there have been moments in history when a monarch thought it shrewd bargaining to barter his throne for a fresh mount.

There are monarchs of merchandising today who would gladly barter part of an empire's wealth for an advertising and selling *idea*. For it is hard to name an advertising success without naming an advertising and selling idea behind that success.

The advertising triumphs of recent years are those which have given the public a new conception of the product, its purchase and its use. At least this is true of long-established merchandise.

Many advertised articles occupy pedestals because of supe-

rior qualities. But there are, unquestionably, advertised goods of large sale which seem, on casual inspection, to possess no qualities not also found in articles of smaller sale.

If your goods have obvious and demonstrable features that give them a decided edge on competition, we should be glad to discuss their advertising with you. Such advertising should offer few difficulties.

If, as is usually the situation, the problem is to discover a hitherto unseen advantage, either in the manufacture or in the application of your goods, then we shall be doubly delighted to talk to you.

For such an advertising problem offers opportunity for the creation of a Pegasus worth a Kingdom.

GEORGE BATTEN COMPANY, Inc.

Advertising



GEORGE BATTEN COMPANY, INC. ✓

NEW YORK
383 Madison Avenue ✓

CHICAGO
McCormick Building ✓

BOSTON
10 State Street

The next move for Mr. Brown and Mr. Toomey was to re-sell the salesmen and dealers on the company's certainty to survive misfortune. For months pessimistic reports had been coming in from the men in the field and it was high time their enthusiasm was regained, so as soon as operations at the factory were begun, all the salesmen were summoned to Kokomo.

Typical of the salesmen's attitude at that time were the opening remarks of one of the company's star men as soon as he reached the office.

"What's this I keep hearing about working for a dead company?" he demanded, with fire in his eye. "Everywhere I go they tell me that the Globe company is about to go under. The dealers say they aren't getting shipments, that their orders are months behind and that they don't want to get stuck with a lot of obsolete stoves anyway. How can you sell under those conditions? I'd like to know."

Reorganizing the Sales Force

As this salesman was taken through the plant where the wheels were turning again and production was at capacity, he saw stoves, ranges and furnaces being built at the rate of more than 200 a day and was assured that they were being shipped as soon as they were turned out. He looked over the \$500,000 worth of orders for the next year from the five leading jobbers, as well as several hundred thousand dollars' worth of orders from dealers. When he left Kokomo after several days, he went back into his territory determined to prove to dealers that their reports and the rumors they had been hearing were false; that the Globe Stove and Range Company was in as strong a position as it had ever been and would remain in business indefinitely.

At the time Mr. Brown and Mr. Toomey assumed charge of the sales department, there were fourteen men handling the dealer accounts. There was considerable duplication of effort; some of the men were not working their territories properly; others had more

territory than they were capable of handling, while still others did not have enough territory to keep them busy and interested.

The sales force was cut from fourteen to eight men, territories were enlarged to give each man an opportunity to earn more money, and a policy of concentration on the good accounts in each locality replaced the old plan of keeping as many small accounts as possible.

The eight salesmen the company wanted to retain stayed with their jobs, in spite of the fact that when they arrived at the factory they were in the same frame of mind as the man who wanted to know whether it was true that the company was through. With the salesmen re-sold on their connection, attention was next turned to the dealer organization. Mr. Brown, accompanied again by Mr. Toomey, took a trip through the entire territory, calling upon dealers and making good their promises of immediate delivery.

One of the first dealers they visited was just ready to give up the account. He saw visions of a large stock of stoves and ranges on hand with no provisions for servicing them or obtaining replacement parts, and he feared a loss of prestige from handling the line of a manufacturer who had gone bankrupt. He said he'd just been waiting to see a Globe man so that he could tell him of his decision.

Saves Dealer Accounts

The same proof that had convinced the company's salesmen was brought to bear on him. He was shown the financial backing the firm had received; he was assured that production was going ahead at full blast, that orders were on hand for nearly a million dollars' worth of products, and that his orders would be filled within the next few weeks. He decided to keep the account.

Inside of three weeks Mr. Brown and Mr. Toomey had returned from this second trip into the territory, and results were equally as good as they had been a short while before when they visited the jobbers. The dealer organization had been satisfied;

their loyalty was assured. Although practically everyone of some hundred dealers had showed signs of slipping away, in the last analysis not a single account was lost.

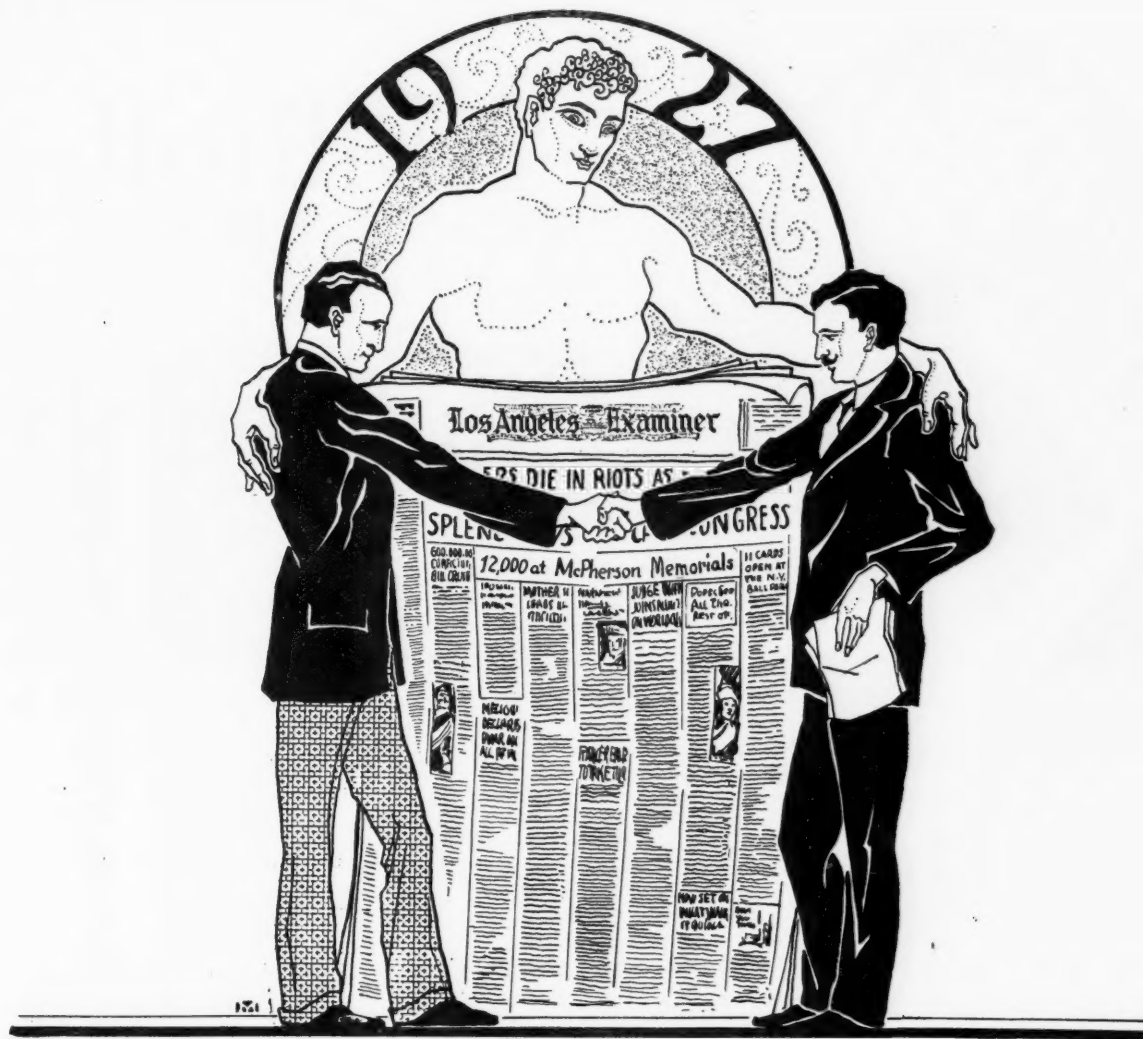
Another thing that went a long way toward smoothing over dealer relations was the standardization of the line and the elimination of many models and types. As one dealer complained when the Globe executives were in his store, "There are so many different kinds of stoves and ranges that we don't know what to tell our customers to buy. Our clerks can't learn the features of all the models, so it's confusing both to us and to our trade. Why don't you make fewer models so that we can concentrate on just a few of them?"

A Comeback in Four Months

Accordingly, the factory incorporated the smoke and gas consuming feature, on which it had obtained such a wide reputation in its hot blast soft coal heater, in its entire line of stoves, ranges and furnaces. As a result of these changes, sales showed a steady increase and the sales cost was reduced surprisingly.

All this took place inside of four months. From a deficit of some \$75,000 on the first of September to a clean slate on the first of January was accomplished by the inspiration of confidence in jobbers, dealers and salesmen, making it possible to enlist the confidence of bankers likewise. During the following year a substantial portion of the bonds was retired, and a sales increase of 25 per cent was set up. Since then the bond issue has been retired and the company is out of its financial difficulties entirely.

Following this come-back the dealers were just as anxious to praise as they had been during the depression to censure. Bad news travels rapidly, but good news even faster, so that instead of losing prestige by its dangerous nearness to disaster, the company actually gained. Any firm, reasoned the dealer—and the jobber and salesmen, too, for that matter—which could effect such a transformation in such a short time was worth tying up with permanently.



LET the Los Angeles Examiner pep up your salesmen and contact your dealers —through 1927!

"NEXT YEAR is going to be the most competitive selling year we've ever experienced!" So declared George McShea, vice-president and general sales-manager of the International Correspondence Schools, before the Los Angeles Advertising Club recently.

"It is going to become more and more imperative for salesmen everywhere to get out and personally contact their dealers!"

All of which presents a real problem. Salesmen scratching their heads and wondering how they are going to be everywhere at once, might find inspiration in this fact:

In Los Angeles, The Examiner's merchandising service department has a group of intelligent field-men who know virtually every druggist, grocer, apparel retailer, automotive and accessory dealer and hardware man by his first name.

We'll make the contact for you! We'll pep up your salesmen, act as their advance guard, and take your hand-shake right into your dealers' stores!

It's a part of our regular Merchandising Service, and it does not entail any extra cost, over and above your advertising campaign.

As far as the salesman contacting THIS market is concerned, he can quit worrying, if The Los Angeles Examiner carries his space . . . and that, of course, is more than probable, on a basis of sheer value alone.

If your boss' demand is for sales, instead of alibis, see that you get an opportunity to express yourself in the Los Angeles Market, using the greatest morning and Sunday circulation West of the Missouri as first aid to results!

190,000
Families Daily!

Los Angeles Examiner
CHARACTER QUALITY ENTERPRISE
AN AMERICAN PAPER FOR THE AMERICAN PEOPLE THE GREAT NEWSPAPER OF THE GREAT SOUTHWEST

400,000
Families Sunday!

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285 Madison Ave., Room 1512, NEW YORK

Mid-West Representative
Hearst Building, CHICAGO

West Coast Representative
571 Monadnock Bldg., SAN FRANCISCO



F. C. Millhoff

Millhoff *of* Miller Rubber

Veteran Sales Manager of Tire Industry Discusses Some of His Favorite Sales Policies

By H. R. Baker

FRANK, I've been watching you and your methods for quite a while. You come in here, use our office, our desks, our stationery, use my telephone to sell your goods. Then you pitch in and buy the goods from us as cheaply as you can. Now if you can make a success of a business conducted in this manner, with so little capital and no rubber plant, why can't you come with us, sell goods for us and make more for yourself and us as well?"

William Pfeiffer, general manager of the Miller Rubber Company was talking. His words were addressed to Frank Millhoff, who is known today as the dean of tire sales managers in Akron. It happened many years ago when Akron was just beginning to suffer from growing pains as a result of the infant rubber industry which was sprawling all over the city.

Millhoff was a tailor when the rubber companies started building in earnest in Akron. His little shop was directly across the street from one of the rubber plants. The

town was besieged by many newspaper men who were writing all manner of stories about the boom in Akron. One of these newspaper men loafed for a while in Millhoff's little tailor shop and wrote a story for his paper about the tailor.

"Possibly in this interview I showed some vision of Akron's future—I don't remember—," said Millhoff in recounting the incident, "but at any rate it brought me in touch with some people and resulted in my establishing a small factory for the manufacture of acids and cements for the rubber factories."

Millhoff also established a sort of curbstome brokerage business in tires. He would scurry around and sell a batch of tires and tubes and rubber goods to his customers, then go around to the various factories and shop for the merchandise. It was during one of these selling forays that he encountered William Pfeiffer who offered him the position with the Miller Company. He accepted it and from that day to this his chief concern

has been the sale of Miller tires. He is the oldest sales manager in years of service with one company in the entire rubber industry in Akron.

When he went into the tire business, Millhoff had found his niche. He was to grow up with the company, but he had to make the company grow, too, so that neither would grow beyond the other.

He was assistant tire sales manager, which meant little except the title. He saw very quickly that his expansion had reached the limit unless sales policies were changed and the company itself given a bigger opportunity. He felt that he, himself, was big enough to initiate new policies and strong enough to manage their development.

Then one noon when William F. Pfeiffer, the general manager of Miller, returned from lunch he saw hanging on Millhoff's door a very conspicuous sign which read, "Tire Sales Manager."

"Where did you get that sign?" inquired Mr. Pfeiffer. And to this Millhoff replied: "I hung it there myself. I have promoted myself

Signs of Christmas



*They Still
Believe in Signs*

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RING, JR., JOHN, ADVERTISING CO.
ROSS-GOULD COMPANY
YOST ADVERTISING COMPANY

SAN DIEGO, CALIF.
WESTERN ADVERTISING CO., INC.

SAN FRANCISCO, CALIF.
BRISACHER, EMIL, & STAFF
CAHILL ADVERTISING CO.
DAKE ADVERTISING AGENCY, INC.
HONIG-COOPER COMPANY, INC.
JOHNSTON-AYRES COMPANY
LIVINGSTON, LEON
LOCKWOOD-SHACKELFORD COMPANY

SEATTLE, WASHINGTON
IZZARD COMPANY, THE
SHEETS, J. WILLIAM, INC.
STRANG & PROSSER, ADV. AGENCY

SOUTH BEND, IND.
LAMPORT-McDONALD COMPANY

TOLEDO, OHIO
DOWD, CHARLES F., INC.
MACHEN, THE EDWIN A., COMPANY

to be tire sales manager. Mr. Pfeiffer soon agreed with him. Certain policies were then changed or amended and new ones adopted and Mr. Millhoff began a practice which he still keeps up. He goes into the field much of the time. No tire dealer is too big, and none too small, to have his personal attention, should it seem desirable. And by going into the field so often, he acquires a first-hand knowledge of conditions that would be impossible otherwise.

"My first round of visits," he said, "were based on one idea: that every town had a doctor or two and that these doctors used cars and knew a lot of people. And they also knew Miller.

Millhoff's Sales Tactics

"Going into a town that had no Miller dealer—and that was no great trick at that time—I would call on a good dealer and get the name of the best doctor. Then I would use the dealer's phone to call him up.

"I would say, 'Doctor, have you ever heard of the Miller Rubber Company?' In nine cases out of ten he would reply, 'Sure thing, they make the finest surgical gloves in the world.'

"Then I would tell him how Miller tires were made to serve their purpose with just as much efficiency as the gloves served theirs. I knew that a company's reputation for one good article would help sell another, just as its reputation for an unsatisfactory article would stop the sale of other items.

"So the dealer would buy at least one set of tires and I was willing to risk future business on the satisfaction that first set would give."

Mr. Millhoff's success as tire sales manager was so pronounced that nothing could have kept him from becoming general sales manager. Experience in this line has worked out the one five-point rule which governs all salesmen: "Know your customer; know yourself; know your merchandise; know your company; know your competition."

His talks to salesmen are practical.

"Logic is a good thing," he says, "but a purely logical presentation of a subject is about the driest thing on earth. I know and you know that the logic may be in favor of some certain article, but before you're through with a straight reason-why proposition, your customer will go to sleep.

"Sales are made by appeal to the emotions as well as to the intellect. You can paint visions. You can make men see profit by appealing to their imagination at times when a purely logical presentation would fall flat. You must know your customer as well as your merchandise."

Frank Millhoff has no patience with the salesman who lacks "guts," who shows a yellow streak when he hears a complaint, who lacks loyalty or fails to bristle up when he hears anything that reflects on Miller policy or Miller merchandise.

To F. C., a complaint, real or fancied, is just an opportunity for more sales. The complaint is always investigated and afterward the dealer usually buys more goods.

He says to salesmen, "In cases of complaint, the best tactics are to disarm the complainant by expressing some partial sympathy or agreement. When he's somewhat mollified, begin your defense. This defense should gain in intensity until it reaches a climax."

Settling Complaints

He demonstrated this by an explanation of a visit to a dealer who had a grievance and threatened to switch the line. He looked over the particular tire which had caused the trouble, with the utmost anxiety. The dealer who at first had appeared threatening, began to look quite pleased at his interest. He thought he had Millhoff.

Then Millhoff started to tell him that of course he was entitled to a flawless tire—and that pleased him. And then he said that there was nothing fundamentally wrong with the tire—it was just a surface fault. He said it would be a shame to send it to the scrap heap.

He suggested that it be kept going and adjusted on a service basis. But he told the dealer the tire would not fail!

Mr. Millhoff then discovered that the dealer had ten tires that had failed to give the service expected. He got their sizes.

"This dealer," he said, "was doing a volume of \$75,000. I showed him then what a very small complaint he had. I got the sizes of the tires complained of, and found that they amounted to \$112.50. I showed him that 1½ per cent was the whole Rubber Association's normal percentage of warrantable defects. 'For the love of Pete,' I exclaimed, 'show me where you're injured.'

"I showed him record after record of mileages. And then he smiled. 'You're right, Mr. Millhoff,' he said, 'but your territory man put up no defense.' And he still sticks to us and buys more tires.

The Gospel of Work

"Boys, you could have done that same thing—I had never seen the man before—if you believed 100 per cent in your merchandise and your company. That is the big thing."

Millhoff, sparring with rules except the big five-pointed one, still insists that in case of doubt, a salesman can use horse sense. His talks are devoid of sophistry and are rarely academic. He prefers to use homely, every-day illustrations easily applicable, or to take up actual cases as illustrations.

And he has little use for the lobby-loitering salesman. He preaches the gospel of work, for no matter how good theories may be, it takes work to put them into effect.

The Oliver M. Byerly Advertising Agency, of Cleveland, announces the removal of its offices from the Penton Building into the New B. of L. E. Bank Building. This agency recently obtained the account of Golf Accessories, Inc., a concern which is advertising in the golf magazines a machine called Play Golf.

An Album of Ideas



A whole album of Ideas in colors will be sent prepaid to responsible firms without obligation except to return. It shows how we have made special cases for many well known concerns, frequently when they thought it was impossible, enabling them to show samples or miniature models, instead of photographs, thereby increasing their sales.

Appearance

A salesman's approach is very much easier with a Knickerbocker "Made Right" case. It gives him the confidence that goes with being well dressed.

Then, after he reaches the buyer, he has the further confidence that his samples are fresh and clean and will look attractive when he opens his case.

Don't make it necessary for your men to open their sales talks with an apology for the appearance of samples or sample case.

Let us tell you how Knickerbocker designed sample cases get bigger—better—more—orders.

Knickerbocker Case Co.

"Made Right" Sample Cases—Since 1900

225-235 N. Clinton Street
Chicago

(3233 C)

Installment Selling Ghost Is Cornered by Edward Hines

SOME new angles on the installment selling question are outlined in a letter from Edward N. Hines, an executive of a printing firm in Detroit, printed in the November 30 issue of the Chicago "Journal of Commerce." The letter follows:

We have always had installment buying up to the limit of what the creditors would furnish except that in bygone days we did not call it installment buying, and with the further distinction that it was to a very much greater degree than today, installment buying of daily necessities.

Neither were there definite terms of sale and repayment and in many instances the title did not and could not rest in the seller.

Credit Long, Time Fleeting

You probably remember very well the old "pass book" with which you were sent to the butcher's or grocer's to get the family food supplies on "tick," which was the universal buying method.

You probably had a "tab" at the barber's, the corner cigar store and your favorite saloon or saloons.

You also knew the family, who, when they had gone "over their heads" in debt through this form of installment buying said it was "cheaper to move than to pay rent" and acted on that assumption.

We all bought our wood and coal in the fall and paid for it in the spring. A made-to-order suit of clothes or an overcoat was not completely paid for until it was worn out and we went to buy a new one.

The doctor who sent in a bill in less than a year after the service was rendered was ostracised by all classes of society and the same thing was true of a dentist.

When a family was unfortunate enough to need the services of an undertaker, months and even years elapsed before the "score" was settled.

This form of installment selling caused enormous losses in the aggregate which came out of the savings of the small tradesman and business man.

There was, and still is for that matter, another form of installment buying presented by the buyer to whom credit is extended on definite terms and who fails to meet his obligations when due.

With the establishment of better credit departments, credit bureaus, dissemination of credit information, etc., this practice is not as general in its scope and does not run into as large totals as in days gone by.

We sell our product with the definite understanding that it will be paid for on the 10th of the month following delivery and in spite of careful scanning of credits, fully 20 per cent of our sales are not paid for on the due date, becoming past due from 60 days to six months or more.

I just received a check in today's mail as the final balance on a \$650 bill which was due last February. It was better policy to worry this account out of our debtor than to sue or throw him into bankruptcy. You probably have similar experiences.

Probable Losses Reduced

The present day method of installment selling, with the title resting in the seller, definite dates on which payments must be met, the inclusion in the original price of the interest charge, the cost of collection, the reserve for loss, and making it a felony to remove goods out of the jurisdiction of the seller, makes for a more scientific method than the old way and if reserves are set up as they should be, the seller need not greatly fear a business depression. He may not like it but it need not put him out of business.

Even in case of a severe depression, I do not believe that the losses would anywhere near total what they did in days gone by

"when it was cheaper to move than pay rent."

The public has had its mind focused on installment selling because a lot of it has been transferred to luxury articles and also because of the better advertised business methods followed in making collections.

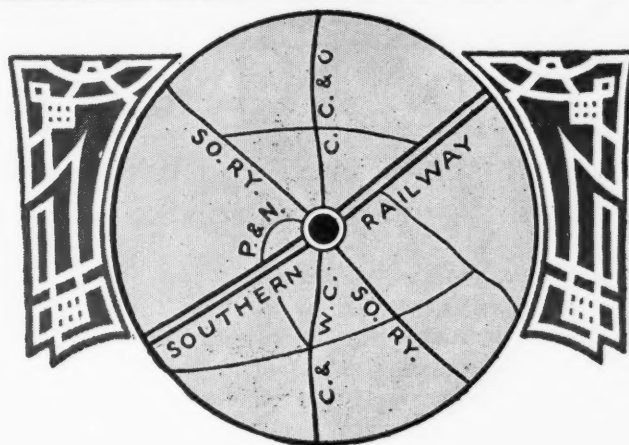
Ninety per cent of the people spend all they can get and will go into debt as deeply and as quickly as the seller will let them—this in my opinion is true now and has always been true, but present-day methods is making it more difficult for the thriftless to get by without paying.

I am reminded of the "coon" story where one dinge met another and said, "Wot was all dem goin' ons in your house las' nite, sounded like a passel 'o wile cats fightin'?" To which the second dinge responded, "Oh! dat wassen't nothin' but de installment man collectin' one of dem easy payments."

Queen's Visit May at Last Be Explained

In the wake of Queen Marie's dramatic See-America-First tour, with its subsequent comic opera developments, comes word that the Standard Oil Company of New Jersey is intending to extend its holdings in Rumania. While in New York the royal party whetted the curiosity of the ever-present mob by dropping in on the Standard Oil stronghold at 26 Broadway. At the time, special significance was attached to this unannounced visit, but special significance was attached to everything else the queen did, so everyone promptly forgot about it when she failed to ask the government for a loan, to find a millionaire husband for her daughter or to raise a free-will offering for the downtrodden Rumanians.

Now, however, the information trickles out that Standard Oil has enlarged its holdings in Rumania through its subsidiary, the Romano-Americana, by buying into the Phoenix Oil and Transport Company, which is tapping the Rumanian oil fields in considerable volume.



A Center for Your Southern Market

ARE you trying to reach a Southern market? Do you want to sell the great Southeast? Come to Spartanburg, South Carolina, the Hub City of the Southeast.



It is the logical location for your Southern distributing organization, your sales headquarters. Spartanburg, with its unrivaled transportation facilities and state-wide bus lines, is a real center for the shipping of goods and for traveling salesmen. And consider the great advantage of Southern salesmen living in the South calling on your Southern trade. It pays!

Write today for the Marketing Survey of the Spartanburg Trading Area. A book of facts, telling why this Hub City is your logical distributing center. Due to our desire to avoid a promiscuous distribution, please make your request for the Survey on your business stationery.

INDUSTRIAL COMMISSION

1150 MONTGOMERY BUILDING

SPARTANBURG, S. C.

SPARTANBURG

"The Hub City of the Southeast"

SOUTH CAROLINA



MARKET: In the heart of the great Southeast—a market of 13,000,000 people with real buying power.

TRANSPORTATION: Two trunk lines to the Middle West—two to the Atlantic Coast—on the mainline of the Southern Railroad from New York to New Orleans.

TRAVELING: 33 passenger trains in and out of the city every 24 hours. A network of bus lines covering the state. Large, modern hotels everywhere.

PRESTIGE: A progressive, well-known city—at present used as a Southern Distributing Center by more than a score of national manufacturers.

An Open Letter to the Conference on Market Research

Agency Goes on Record Favoring Concentration on Actual Sales Figures in Terms of Purchasers by Trading Areas

IN reply to a letter from the Department of Commerce asking for suggestions concerning the type of information and statistics which would be of greater use to sales and advertising executives, Reimers and Osborn, Inc. of New York, wrote the letter printed below.

As pointed out, these statistics should be based on sales figures rather than on remote indexes now favored by the government. The figures should be, according to the views of this concern, collected by trading areas and sales territories rather than by government administrative divisions. The letter follows:

Quotas Based on Sales

"We recommend immediate concentration on (1) actual sales figures; (2) in terms of purchasers; (3) by trading areas and sales territories. First: For market research it is more important to know the consumer's outlay for goods than his whole income. Retailers, jobbers' and manufacturers' income from sales means more than consumers' income. Consumers' actual purchases have a definite value way beyond 'ability to buy' shown by income tax or any other academic index.

"The superiority of sales figures over consumers' income seems so obvious that the point should not have to be elaborated. But the principle is not in general use and apparently has no general recognition.

"It has special recognition. In the automobile business and in selling automobile supplies it is now a commonplace to base quotas on car registration figures. Though these are labeled 'registration,' they are actually sales figures to date. In the same way in selling certain electrical supplies

markets estimates are based on the number of wired homes, but the label 'wired homes' really means sales of electrical current to date, contracts in force, in terms of the number of buyers.

"More generally, the 'Literary Digest' has promoted home telephones as a general market measure. Every telephone in the home is a sale, and the total number of telephones in a directory is live sales to date.

"The Curtis Publishing Company and, to a lesser degree, other publishers have made circulation of publications a market measure. Circulation means distribution and distribution means sales.

"Following the lead of the telephones, wired homes, etc., the government might well collect at frequent intervals statistics on sales of these and other public utilities. The fact that these are at present available in one form or another is no reason why the work should not be taken over by the government or by some central committee. Even telephone figures are difficult to get at present because the Bell System is not an absolute monopoly. Here and there it is necessary to fill in with statistics from independent companies.

Favors Organization of Data

"The Society for Electrical Development has figures on wired homes, and these are also available through the principal publishers of electrical trade papers, notably McGraw-Hill Company.

"Less complete figures on gas metered homes may be secured from the American Gas Association and the trade papers.

"But we would be better off if all these were organized and collected on the same basis, published at frequent intervals by the government, and supplemented by similar

figures for other public utilities. Why not have number of homes with running water? The Crowell Publishing Company 'Woman's Home Companion' through the General Federation of Women's Clubs has made a Home Equipment Survey which reports on water supply, garbage disposal, etc.

"There is not the same government control over other business that there is over the utilities. But it should be possible to get sales figures from 'private' industries if the purpose for which the figures are gathered is clearly understood, and if the same stress is put on the confidential nature of the communication that there always is about manufacturers' reports to the Census Bureau.

Figures By Trading Areas

"Second: Get sales figures in terms of purchasers. It is as fundamentally important to know how many people are buying as to know how many dollars worth or how many packages are sold.

"The telephone, wired homes, and magazine and newspaper circulation are sales reported in terms of buyers—but they have been too little considered as sales records because we say 'subscribers' to telephone service and to magazines, not 'customers.'

"Most big mail order houses publish monthly statements of their sales in terms of dollars. Would not they furnish for publication total number of sales to individuals? Would not they furnish the government for confidential use each year or each six months the number of buyers, state by state, either actual numbers or percentages of the total?

"What industries can report sales in terms of individual buyers—ultimate consumers? Which of

these have sufficient national distribution for their sales to be a guide to nation-wide business?

"Any sales figures reported should be accompanied by a general description of the products sold, so that a report on the sales of one type of product would not be recklessly applied to the sales problem of an entirely different kind of product; and, secondly, they should be accompanied by a description of the method of sale so that figures on sales secured by one type of sales promotion method should not be recklessly applied to a product sold by an entirely different method.

"Circulation figures of a magazine in detailed analysis have far greater value to the purchaser of advertising space in the magazine if he knows the methods by which the magazine has been sold, and of course if he has some definite description of the product for sale—etc.

"Third: Get sales figures by sales territories and trading areas and not by government administration divisions, an entirely different sort of category. Sales don't follow state lines; trading areas are not made up of neatly outlined counties. The newspapers have mapped trading areas.

"The International Magazine Company has mapped 657 trading centers in 'A Merchandising Atlas of the United States' and gives for each of these trading areas the number of literate, native white families, and the sales of Cosmopolitan Magazine.

"We recommend that the Department of Commerce verify and correct the trading areas laid down in this atlas and gather sales figures for each trading area.

"The sales promotion department of a manufacturer who does not want to divide the country into as many as 657 parts can combine small trading areas into a larger trading area or sales territory that suits his purpose. As sales territories do not follow county lines, adding up county by county will not give an accurate measure of a sales territory.

"Conclusion: The argument here outlined is enough to warrant the adoption of a priority program with three main principles, all of them intensely practical. First, the use of sales figures rather than remote indexes; second, the collection of sales figures in terms of purchasers; and, third, the collection of these figures by trading areas and sales territories."

to Squibb's wishes in its sales policies.

"Recently we learned that, although we are one of the largest distributors in the United States, we were not enjoying Squibb's best prices, and it has always been a matter of principle with us that we should purchase all commodities at a price equal to that at which the merchandise is sold to any other organization in the country. This effort on our part has been accepted and conformed to by at least 99 per cent of the manufacturers of nationally known merchandise distributed through drug stores.

"E. R. Squibb & Sons were willing to grant us this price conditional, however, upon our purchasing a definite amount of their products and conditional upon our giving Squibb's products preference in our stores over all competing merchandise. This we were unwilling to grant and therefore discontinued buying Squibb goods direct from E. R. Squibb & Sons.

"The above is the whole and plain truth of our controversy with E. R. Squibb & Sons. In order that you may have no hesitancy in publishing this statement, we hereby agree that if E. R. Squibb & Sons or anyone else, before any neutral body, will disprove these statements, we will donate \$1,000 to the National Association of Retail Druggists."

The Owl Side of the Squibb Fight

"IN REFERENCE to Mr. Roy W. Johnson's article in your current issue, entitled 'Squibb Fights Fire with Fire,' you made the statement that since our controversy with E. R. Squibb & Sons was creating so much comment, Mr. Roy W. Johnson did some investigating and in the article referred to reports his findings.

"The issue containing this article has just reached the writer's desk and it is very difficult for us to understand how this article could have been written if the true facts were known. No representative of 'Sales Management,' to our knowledge, has discussed this subject with any member of our organization. It is, therefore, quite

apparent that Mr. Roy W. Johnson, in writing his article, has taken only one side into consideration and has far from stated the facts in his article.

"The attached copy of a bulletin which was sent out some time ago to our employees is self-explanatory and we are sending this to you in order that you may know just how far from facts the article in question is."—I. V. Kisseberth, General Merchandise Manager, The Owl Drug Company.

An excerpt from the bulletin referred to follows:

"Until recently The Owl Drug Company bought directly from E. R. Squibb & Sons all of their merchandise and gladly conformed

400 Broadcasting Stations Sell Time On Air

Four hundred broadcasting stations, practically 70 per cent of all those in the country, have adopted policies of selling time on the air. This rapid rise in the number of "commercial" plants is due to the desire of these stations to make themselves self-supporting, according to semi-official statements from Washington.

Selling time on the air, at the present time and at the present rates, is a profitable undertaking. The National Broadcasting Company is leading the way, with other companies drafting much of their personnel for the task of soliciting accounts at the best rates obtainable.

Was Mr. Olds Too Rough on Cheltenham Bold?

Readers of Sales Management will remember the three-round bout between Norman Olds, of Perfection Stove, and the mysterious Mr. Bold, in which Norman lands this one:

"I accuse him simply of endeavoring to retain the atmosphere of mystery around the advertising profession, and to fend off any effort to bring light into the dark places."

Important, if true.

What about it? Does your advertising agent take the lead in clearing up mysteries for you, or does it take some nagging on your part to get him down to cases?

For a long, long time, Lynn Ellis felt that there was too much mystery, first of all, about the agency's job—just what operations the agency is supposed to perform—but if Mr. Olds will look in the files Gus Davis left him he will find, as of 1922, a graphic chart that puts it down in black and white and red.

Ellis furnished that chart while he was manager of the McCann office in Cleveland. It was a standard form on which he could show the varying pictures of service promised year by year to any client and to different clients.

He furnished it voluntarily—invented it to clear up a mystery. He has kept on building better charts and check-lists. His new book, "Check-List Contracts for Advertising Service" is full of them. His organization is ready to help apply them to actual cases.

From reactions to date we are inclined to think Mr. Olds was a little rough. The more progressive agencies grabbed the chance at once to clear away the haze by using the Ellis Check-Lists. Others have been a bit more timid but are heaving sighs of relief that a handy way has at last been found to get close to a perfect understanding with clients.

We believe the average agency has been more than fair, anxious to smooth out kinks, lacking only the convenient tools which we are now in position to provide.

Are we wrong or right? Have you an agency service mystery that won't clear up? If so, better send ten dollars for the book. Then if you feel you need some personal advice as to how to proceed without upsetting any apple carts, call us in. Meanwhile, don't treat your agency "rough" on general principles alone when here's a way to get down to cases.

LYNN ELLIS, Inc.

Advertising Relations and Management
ONE MADISON AVENUE, NEW YORK
Room 346, Desk E-14

**"when
we
laugh
we
think
"**

A COMMON CHARGE made against Americans is that we don't think enough—the brain has been called the "lazy member"—we are apt to judge by our feelings rather than by careful thought.

To help salesmen think more, to cause them to analyze, so as to improve themselves as salesmen, a series of illustrated letters has been created around a fictitious salesman known as "Happy Sayles." These letters are fifty-two in number, one to be mailed out each week.

The salesman will laugh at the trouble "Happy Sayles" creates, but in laughing he will be induced to think, "Perhaps I am guilty of the same thing." A single set sells at six dollars, prices lower in quantity lots. Send for the story of "Happy Sayles."

THE DARTNELL CORPORATION
4660 Ravenswood Avenue :: CHICAGO, ILLINOIS

Commercial History Repeats Itself

The Business Life of Ancient Athens by George Calhoun. 170 pp. The University of Chicago Press, Chicago. (\$2.00)

IT WAS Caicus of Alexandria, in the third century B. C., who ran the first day and night bank. And it seems probable he was also the first banker to advertise. In the classic verse of the period he inscribed above the portals of his banking house the following announcement:

"To natives and strangers this bank gives equal dealing; deposit and withdraw for the calculation comes to account. Let another make excuses; Caicus pays foreign moneys at request, even by night."

In "The Business Life of Ancient Athens" there is presented for the first time a picture of the commerce and the commercial institutions of a city that has heretofore been remembered as the birthplace of art, literature and philosophy. In this study it is revealed that it was the Athenians who first developed commercial law, passed labor legislation, regulated the activities of its merchants and bankers, and participated in the first mad rush to a newly discovered precious metal mining area.

Parallel Developments

There is a striking likeness between the developments and the activities in this ancient city and the present time. They had the same migration from the farms to the cities that is now going on in the United States. Politicians made the same attacks on the capitalistic shield manufacturers and ship owners to win favor with the artisans and the farmers, and it is probable that Pisistratus, the Tyrant, for many years the supreme ruler of Attica, was the first great advocate of the rights of the "plain peepul."

While no mention of it is made in this study, it is not unlikely that there was, then, the same protest against the banker's control of business that there is now. The ancient and powerful houses of Pasion and Phormion in Athens and Hermias & Company in the rival city of Assos were active in both the political and business

life of the city. Pasion was not only the proprietor of Athens' largest bank, but he also owned and operated the country's largest shield factory, was interested in the grain trade, and possessed a large country estate to which he retired toward the end of his long and active career.

Perhaps there is a likeness to be found in the fact that all of the early Greek bankers to reach a place of prominence and power started their careers as slaves, working in the banks of their masters. By ability, integrity and untiring energy they all not only won freedom and finally succeeded to the business of their masters, but also gained citizenship, and by fortunate marriages, social recognition.

The First "Commerce" Student

Hermias was not only the most powerful banker of his time, but he was also the best educated. Eubulus, whose slave he was, was so impressed with his young cashier that he not only gave him his freedom, but sent him to Athens to be educated. He studied under Plato and Aristotle, and was so apt a pupil that he retained the admiration and friendship of the latter all his life. Hermias was for many years virtually the king of Atarneus, and his firm collected the taxes and handled all the fiscal business of the country. Perhaps he was the first college man to elect business in preference to the law or the arts for his career, and certainly he was the first great political boss to make a business of politics.

The first division of the book is a history of the development of commerce in Greece from the age of Homer to the fourth century, B. C. In the second division the grain trade is described. The activities of the capitalists, the merchant adventurers, the ship captains and the retail grain dealers are outlined, and the reader is introduced to the leading figures on "change."

"The Business Life of Ancient Athens" is not only an instructive, but an interesting, well written and thoroughly readable volume.

WE ARE MARKETING a Direct Mail Service

and NOT Direct Mail Machinery

Numerous inquiries from our Direct Mail and publication advertising ask for quotations, more information on the patented Electrograph equipment itself.

We adopt this method to announce publicly that Electrograph is marketing a direct mail service—both mechanical and professional—and that the mechanical equipment used therein is NOT for sale.

What we DO sell is experience, counsel, production and administration. What we DO sell is national Direct Mail *distribution*. Direct Mail . . . to the consumer . . . through the dealer . . . for the factory.

Every Electrograph patent was inspired by quality, giving the advertiser who uses Dealer-to-Consumer Direct Mail the rare combination of utmost quality and quantity production at low cost.

The advisory service of Electrograph is as impossible to duplicate as is the patented Electrograph equipment.

When better machinery for economical and quality direct mail production is conceived and purchasable Electrograph will be the first to employ it.

THE ELECTROGRAPH COMPANY
Home Office: 725 West Grand Boulevard, Detroit, Michigan

Electrograph

Created **DIRECT-MAIL** Localized
Individualized
Distributed

In Illinois, Electrograph Advertising Service, Inc., Chicago, is licensed to operate under Electrograph patents.

Trosper's Tactics Sell \$5,000,000 Yearly

(Continued from page 982)

said: 'Well, I'm going to double Babson's dose and take a hundred thousand. Come over to my office in Detroit in about a week and I'll give you the business.'

"That was pretty easy, although I did have a little difficulty before I closed him a week later. I got the \$100,000 business, however, and all as a result of using a little suggestion."

Trosper's biggest success, though, has been in selling large policies to business men to take care of the cash requirements of settling their estates, to cover stockholders in companies, and to protect partnerships. He considers the interrogatory form of approach the ideal method, and when he gets through asking his leading questions of a prospect who has not made suitable provision for the future of his estate, that prospect is almost desperate in his anxiety to do so.

The Direct Query Method

"Have you made a will?" is usually his first question after explaining that he has called to save him a lot of money. "Do you know what the federal inheritance tax on your estate will be? What the state tax is? Do you know that if you own stock in certain companies, the taxes may almost wipe out your holdings? Do you realize that unless you make suitable provision, all that you have built up in a lifetime may be wrecked in a year after you're gone? It will probably require \$200,000 in cash to wind up your estate—where are your heirs going to get that much cash? Do you want them to sell part of the stock in your company? Or your home? Or your real estate holdings? They must have the cash; where will they get it?"

If there is any hesitancy on the part of the prospect, Trosper is armed with abundant examples. If the prospect owns property in Canada, he may save him a triple tax by forming a holding company; if he owns New York Central stock, it will be taxed by nine states and the federal government;

there will have to be a certified copy of the will, at three dollars a page, for each, and so on.

Then when the time comes, he asks the prospect for a complete statement of his assets and liabilities and has the estates department of his company prepare an analysis of the client's cash requirements for estate purposes. This is gotten up in a neat binder, with a statement of assets and liabilities, then an estate statement for federal tax purposes, another for state taxes, and a recapitulation, showing to the penny just how much cash will be required to settle the estate. If the prospect has not made a will, this is also taken care of for him.

"Here's one estate that requires \$296,927.73 in cash," Trosper remarked, producing an analysis from a file. Where is even a very wealthy man going to get that much cash? The only sensible answer is life insurance.

"Here's another example of how much such business grows. This client had never taken an adequate insurance policy till he was past 50. I sold him then and I have since sold him four other policies. This has led to my selling other executives of his company till the annual premiums on these individual policies with our company total \$21,000 a year."

Selling Walter Hagen

"Walter Hagen Golf Products, Inc.," is a corporation recently formed to distribute golf equipment and accessories of all kinds. Trosper knew of the incorporation and he also knew, as anyone who gave the matter any thought might have known, that its success depends primarily on Walter Hagen's reputation.

Going to M. W. Truss, vice president, and following his interrogatory method, Trosper wanted to know: "What is your company's greatest asset? Is it your golf clubs? Your balls? Your sweaters? Or is it Walter Hagen?" There could be but one answer, of course, and Trosper went on: "All

right, you are capitalized for half a million dollars and you admit that you are investing all this money in a name. Walter Hagen is every bit as great as you think he is, but there will come a day when Walter Hagen will not 'tee off'—then what? What is going to protect the stockholders when Walter Hagen is gone and his glory is dimmed by time?" Trosper then went on to point out that the safe and sane thing to do was take out a half-million dollar policy on Hagen's life in favor of the corporation, adding that, "you can do it for one-half of one per cent of your capitalization."

Mr. Truss was quick to see the advantages of such a plan and the accompanying illustration shows Hagen signing on the dotted line the following Thursday.

Finds Small Buyers Too

Some of Trosper's clients whom he has written for amounts varying from \$25,000 to \$1,250,000 this year include a vice president of a large radiator company, the president and general manager of the largest overhead conveyance concern, president of one of Detroit's largest hotels, president of one of Michigan's largest cement companies, vice president of a bank, vice president of a large department store, president and general manager of a famous chain of hotels, president and vice president of one of the largest building companies, and many others.

Lest some get the idea that he confines himself entirely to these big prospects, however, Trosper tells of numerous small policies he has written, one of which is particularly instructive, as it shows that there is business everywhere for the salesman who is alert.

"I was getting a shave and a manicure in the shop I regularly patronize," he related, "when the manicurist asked me what kind of policy she should have. She went on to outline the circumstances and I advised her to take a thousand dollar policy that we issue, which she agreed to do."

"Business was light in the shop that day and as we talked, the barbers who were not busy gathered around to listen. Our conversation set them to thinking and pretty soon one spoke up and said he would like to have a policy. Then another decided he had been negligent in this respect, and so on till six barbers had agreed to take policies ranging in amounts from \$1,000 to \$2,500; all small stuff, of course, but seven policies along with a shave and a manicure was not so bad. Frankly, though, I appreciated that opportunity to do some good for those people more than I appreciated the business, for I always consider that I'm doing a client good when I sell him life insurance."

On the other hand, Trosper can be as "hard boiled" as anyone when he thinks such tactics necessary. On one occasion he read a magazine story of the success of a chain-laundry operator and, as usual, decided he would be doing this man a great favor by writing him up for \$100,000 or so.

When the Buyer Balks

After getting by the information girl and one inside secretary on this call, he ran into a male secretary who insisted on a card. Trosper felt around in his pockets for a moment and said, "Oh, just say Mr. Trosper." This evidently did not satisfy the great man, however, as the secretary returned presently with another demand for a card. Trosper then found a card and as the secretary walked into the president's office, the salesman walked right in behind him.

"How did you get in here?" the prospect demanded. "Just walked in through the open door," the salesman replied. The prospect didn't particularly appreciate such tactics and showed his displeasure by tearing the card to bits and casting them into the waste basket. "Since you told your secretary you didn't recognize my name," said Trosper, "and as no information is to be found on the card, we can hardly get to know each other unless you give me an opportunity to explain the purpose of my call."

"Say! What the h— is your game, anyhow?" the prospect demanded.

"I merely came in to tell you that the government is going to tax your business another \$100,000 more than ever before," Trosper said, in substance.

This got him a hearing, all right, and gave him an opportunity to explain the provisions of the federal inheritance tax, with particular reference to his own estate. He also pointed out that the prospect could prepare to meet this tax by merely setting aside the income on \$50,000 worth of securities.

The final result of the complete unfolding of the plan was a policy for \$100,000 and an invitation to have lunch with the laundry owner and a friend, who purchased a policy for \$50,000.

Trosper entered the life insurance business in 1918 and succeeded in writing \$1,049,000 worth of paid business that year, in spite of the fact that his largest policy was for \$30,000. His business has since climbed steadily and is expected to reach five million in 1926. He has been associated with the American Life, of Detroit, continuously from the first.

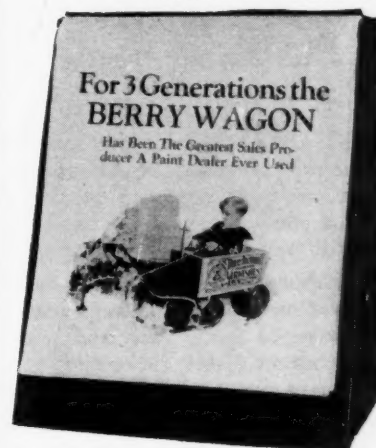
"Constructive Work," Writes Subscriber

We have read and circulated among our executives the article on page 707 of the October 30 issue of "Sales Management" entitled, "When You Pick an Advertising Agent—Pick a Good One." While we might be tempted to be a little envious that it is not one of our own executives who is being pictured as the agent selected, nevertheless we are mighty grateful to you for running such articles as this one in "Sales Management." This is constructive work of a very high order on the part of "Sales Management" and should do much to make for better and more stable relations between good agencies and good advertisers.

Mr. Willman shows very clearly in this article that he has a thorough understanding of the agency business and is undoubtedly well qualified to write on this important subject—Johnson, Read & Company, George H. Read, vice president.

**"—has proved
to be just what the
men wanted—"**

BERRY BROTHERS



The Pyramid Sales Portfolio is "opening more new accounts and selling more to the old customers," writes Berry Brothers. But, read for yourself the letter written by Mr. C. L. Forgey, Advertising Manager.

"The Pyramid Sales Portfolio you built for us was demonstrated at our recent sales convention and has proved to be just what the men wanted. Now that the men are back on their territories, we are hearing from them as to the results, and they surely are opening new accounts and more, they are selling more of our line to their old customers.

"This, of course, is brought about thru the fact that they have a complete story visualized which strengthens the old house in the minds of those who already thought well of it.

"To work without a demonstration such as this portfolio is like playing ball without a ball.

"In these days of intense selling such a thing is absolutely necessary.

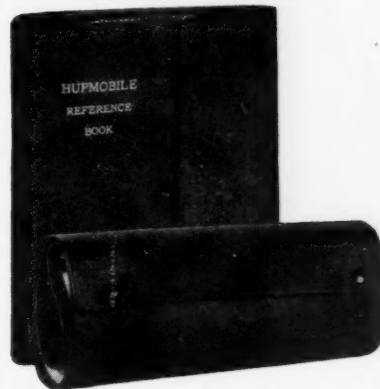
"We want to thank you again for your very good cooperation in planning and bringing this sales presentation to a reality."

"ASK A MAN WHO USES ONE"

Complete information will be gladly furnished upon request

**Pyramid Sales
Portfolio**

U. S. Patent No. 1577697



Book-art superfinish looseleaf sales portfolios for Sales Presentation

Michigan Book Binding Co.
1036 Beaubien St. Detroit, Mich.

Coupon Brings News of this Remarkable Business Builder

How Autopoint Pencils are today carrying the trade messages of Big Business everywhere. The NEW advertising medium repeatedly proved by results:

JUST any novelty won't do to advertise your business. For some, like printed advertising, may prove too costly. And others, in results, are more expensive because they do not register the impression you want to leave—do not last long enough to build the good-will you seek to gain.

The Autopoint Pencil brings constant, and increasing, results. It is the sort of advertisement that never wears out. It brings expressions of appreciation and good-will. In offering it, your salesmen have a splendid opening to see your prospects, to make a sales visit that might otherwise be denied.

Autopoint lasts forever. It never wears out. It is the pencil of Big Business. Everyone likes it, and after using it becomes so attached to it they won't like doing with anything less good.

Hundreds of America's leading firms give Autopoint . . . consider it their best advertisement. Many re-order constantly from us to keep giving them out to prospects and to customers.

Send the coupon now

There is a grade of Autopoint for every use—a size for every need. See them at any stationer's. Executives of businesses are invited to mail the coupon now for interesting new literature and price lists. There's no obligation.

Learn now about this amazing new way to advertise for many who have considered advertising too costly for their businesses.

Hundreds of big companies use Autopoint Pencils stamped with their names for advertising purposes. These sturdy, reliable pencils are a constant reminder of the giver. They build good-will and prestige for your firm. Don't give your customers anything but the best.



Autopoint's 3 outstanding features:

- ① Cannot "jam"—protected by an exclusive patent.
- ② Bakelite barrel—onyx-like, light-weight material.
- ③ But one simple moving part. Nothing complicated to go wrong. No repairs, no bother.



YOUR NAME OR AD. HERE

Clip the Coupon
and Mail NOW

AUTOPOINT COMPANY,
4619 Ravenswood Ave., Chicago, Ill.

Without obligation, please send booklet,
your business-building proposition, prices of
pencils and stamping, and full information.

Name.....

Firm.....

Address.....

Autopoint
"The Better Pencil"
Made of Bakelite

S. M. 12-11-26

Ad-Answering—and Other Ideas

(Continued from page 1008)

Glycerine Producers' Association began advertising glycerine for automobile radiators." Another good example of a realized merchandising opportunity. What waste products are you "pouring into the river," or assigning to dump heaps? Perhaps there is some way of salvaging them. Consult a chemist, an engineer and a good advertising man. Between the three of them you may find a new source of income.

IS YOUR factory near a railroad track or a busy highway? If it is, you are missing a great opportunity if it isn't identified. Think of all the nationally known products that are manufactured along the right-of-way of the New York Central tracks between Chicago and New York! How many of these factories do you remember from the signs visible from the train? If you can remember half a dozen, you are not only a memory expert, but an unusually keen observer. We can only remember Remington Typewriters and Beech Nut. There are others, of course, but the point is that they are not distinctive enough to be remembered.

If you doubt the efficacy of factory signs, try to get in and out of Camden, New Jersey, without being impressed by the many gaily painted water tanks above the Campbell Soup plants. And you will never forget the Colgate clocks at Jersey City, New Jersey, and at New Albany, Indiana. Then there is the big electric sign atop the plant of the American Printing Company plant at Fall River where you take the boat to New York.

Put up a big sign—preferably a lighted one on your plant. Invite the public to come in and look around. Dividends will accrue in many ways. For one thing—you keep the plant cleaner. Employees will take more pride in their work and every visitor and passer-by will have a favorable word to say about your plant and its product.

Investment Bankers Follow Merchants

(Continued from page 986)

studied a matter that most investors need the services of a salesman to help them. Advertising, alone, then, is not expected to bring immediate sales, so the purpose of advertising must be to build up a background for the salesman.

This may best be done, according to our experience, through the use of institutional advertising. Before he will invest, a prospect must be made to see why it is to his advantage to invest his money instead of spending it for something else. There are a number of advertising appeals designed to impress that point upon him forcibly. One of the best known is to picture financial independence in old age. Another is to provide education for his children or luxuries for his family. A third relates to the occasional necessity of easily transferable funds for business advancement. Through the use of these arguments, sound advertising will popularize investing and widen the field for all the investment houses.

The next problem, then, is to direct the desire of investors toward bonds instead of other forms of investment such as stocks, real estate, buildings, etc. Educational copy explaining the different types of bonds, whether municipal, public utility, farm loan, industrial, foreign, real estate or railroad, is designed to convince them not only that bonds are a desirable form of investment, but also that bond holdings may be so diversified that risks attendant upon a well selected list are slight.

These types of advertising, although they may influence a prospect to become an investor and to invest in bonds, probably will not bring many customers directly to the house that has been doing the advertising. It is the kind of educational advertising which will widen the whole market for bonds without necessarily concentrate the buying with the advertising company. At that point an investment banker's institutional advertising will be brought into effect.



Does the Shrewd Buyer Differentiate?

THE old easy-going methods of purchasing on hope and expectancy are a thing of the past. Unsupported claims fail to convince the shrewd buyer who differentiates fact from hearsay evidence—who wants in cold figures the actual performance records of proposed equipment or material before he will act.

Yet this month's industrial advertisements carry such phrases as:

“... that extra strength needed.”

“... the finest you can buy.”

“... will operate longer at minimum operating cost.”

Clear proof of a failure to understand that the selling successes of today are based on presenting specific data on performance—with costs and savings—results which the prospect can duplicate in his own plant. Such facts SELL.

Hard data to get? Write to the

A. C. NIELSEN COMPANY

Harris Trust Building, Chicago
NEW YORK

NIELSEN SURVEYS

CERTIFIED PERFORMANCE



EDITORIAL COMMENT



Getting at the Principles Underlying Successful Sales Management

In the January 8 issue we will commence the publication of what we believe to be the most valuable series of articles on sales management ever published in a business magazine. These articles will deal with the new scientific sales management, and will be written by Charles W. Hoyt, a leading New York advertising agent. Mr. Hoyt has performed the valuable service of analyzing a great mass of experience and from that experience evolving certain definite principles. True, sales management is not a function that can be operated by principles alone, but it should be obvious to any thinking person that there is a best way of doing everything—even the things that need to be done to get business. Mr. Hoyt does not pretend to have found the best way to do everything, but he has found the best way to do an amazing number of things.

People With Something to Sell Who Have No Time for Salesmen

We are informed that a number of the large national advertisers will refuse to see representatives of publications wishing to sell advertising. Among them are the Standard Oil Company, Sherwin-Williams and Kelly-Springfield Tire Company. These companies, of course, have a perfect right to refuse to see anybody. But it seems to us unwise and unfair. It is unwise because these concerns all employ salesmen, and they would feel very much concerned if their customers were to say to them, "You can see my agent, but if you can't sell him, you are through. We are too busy to see you." It is unfair because it works a hardship on many worth-while business publications which pay no commissions to advertising agencies. Take the McGraw-Hill publications, for example. These publications are now placed in a very unpleasant position. They have always depended upon getting their business direct from the advertiser, because rightly or wrongly, they believe they know more about the technical fields they serve than a general advertising agency. Operating in this way, they have never felt the need of paying the agency a commission. The same is true of more than fifty of the leading business papers of the country. What do these national advertisers wish done—do they want these business papers to raise the rates to everybody and pay a commission to advertising agencies?

In the January 8 issue we will commence the publication of what we

It may be the purpose of the advertisers to make an exception of publishers which do not pay an agency commission and to grant them an audience. But that makes it worse. If the right to refuse to see anyone is employed by all members of the Association of National Advertisers, as now seems possible, that association has struck a blow at the very heart of the agency commission system.

What Authority Should a Sales Manager Have?

A reader put that question up to us the other day. He wanted something to show to his directors, and he felt a statement from us would help him. Perhaps we should have written him the kind of a letter he wanted. But we didn't. We told him that the authority a sales manager should have depended upon the sales manager; that in our opinion some sales managers had too much authority for the good of the business, and others didn't have enough. All of which, of course, he knew.

There are a great many sales executives who are seriously handicapped for lack of authority. This is especially true in organizations where the higher executives do not understand sales management problems, and in organizations where the management persists in treating manufacturing from a production angle. It should be perfectly clear in this era of growing competition and narrowing sales costs, that a general policy which is not built to fit a definite sales program cannot succeed. It is no longer a problem of what to make, but a problem of making what can be sold at a profit.

But we think that some concerns are overdoing the authority given to a certain type of sales manager. We have reference to the type of executive who is steeped in the technique of selling and who has allowed himself to become narrow and self-sufficient. Usually this type of sales executive comes up from the sales force. He has not changed his thinking processes with his new job. He thinks of sales managing as the "handling" of men. He is an individualist. He knows sales and that is all.

This narrow-mindedness of some sales managers is a disease. The only cure for the disease is to broaden their vision through reading and studying. But they won't read and they won't study. An executive of that type is not capable of development into a position of greater trust. He is, and always will remain, a salesman. He is, and always will remain, a liability to the business. The less authority he is given the better it will be for the business.

Do Mill Men Read Textile Papers?

1,047 managers of textile mills
replied to a question submitted
by Ernst & Ernst as follows:

QUESTION—

*Do you keep in touch with im-
provements and recent develop-
ments in machinery and mill
equipment through the textile
papers?*

ANSWER—

	NORTH	SOUTH	WEST	TOTAL	PER CENT
Yes	652	268	42	962	91.9
No	<u>70</u>	<u>12</u>	<u>3</u>	<u>85</u>	<u>8.1</u>
	722	280	45	1047	

Analyzed as to size, the 962 Yes
answers are from executives
controlling over 99% of the
machinery represented in the
total number of replies.

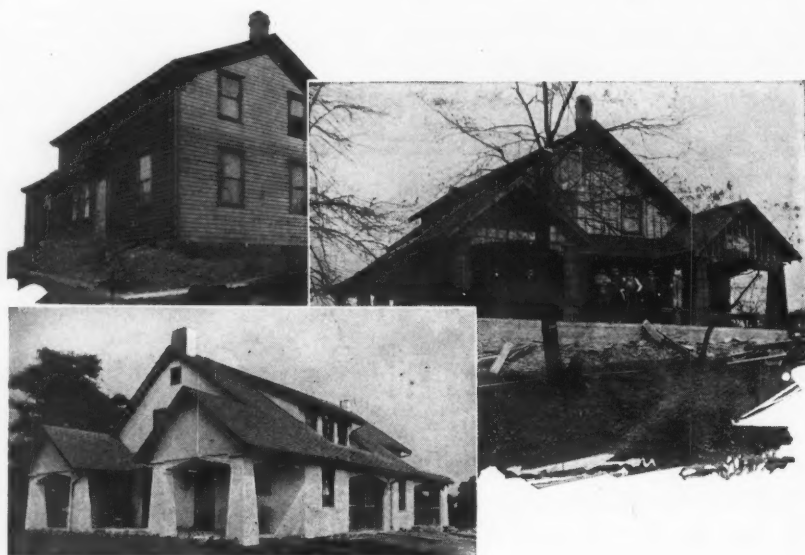
Textile World

334 FOURTH AVENUE, NEW YORK CITY

Member
Audit Bureau of
Circulations



Member
Associated Business
Papers, Inc.



Courtesy Associated Metal Lath Mfrs.

TODAY an out-of-date home to many people is as bad as a thoroughly uncomfortable one. The old house at the left above underwent a remarkable reincarnation and emerged an up-to-date, cozy dwelling place. The picture at the upper right hand shows the building during the remodeling process, and the lower left, the finished house.

Perhaps there are a million home owners who have been waiting for the height of the building boom to pass in order to have remodeling done which has been contemplated for years. The vast remodeling program is one of the reasons authorities in the building field expect no recession in activities during 1927.

Will 1927 Be a Slow Year For the Building Industry?

(Continued from page 977)

how the remodeled home would appear when finished.

Now the work of remodeling the Wilson home is under way. When finished there will be two tiled floor baths, built-in kitchen fixtures, a ventilating fan, electric refrigerator, plain arched doorways in Spanish style, hardwood floors, two to four electric sockets in every room, wall lighting fixtures, and many other modern improvements.

Perhaps there are a million home owners in Mr. Wilson's predicament. They have substantial old homes, good for many years, but put out of the running by the ravages of style, rather than the

ravages of time. And style is more ruthless than time these days. In the midst of the building boom, which has swept the country for the past few years, contractors were not inclined to make a great effort to obtain remodeling contracts. They were too busy with new construction. Dealers, material men, electrical men and other building contractors were busy. Prices were high and labor scarce. But now that there is a slight recession in new building in some localities, the slack will quickly be taken up by a wave of remodeling. It is true that thousands of homes have been remodeled in the past two years. But like Mr. Wilson,

many other home owners have been putting off remodeling until new building slacked off—they have been waiting for lower prices and cheaper labor.

But they can wait no longer. An out-of-date home to many people is as bad as a thoroughly uncomfortable one. Some people would prefer a leaky roof and rattling windows in a new home to a comfortable home which flaunts the gimcracks of 1900.

A Vast Remodeling Program

Reliance on this vast remodeling program is one of the reasons authorities in the building field are expecting no recession in building activities during 1927. Architects, contractors, material men, electrical supply dealers and painters are anticipating a busy year in 1927. Sales will be as high as in 1926 most of them assert.

"It is not only in the residential field that remodeling and additions will be a big factor during 1927," explained the sales manager of a well known brick company. "I know of a manufacturer in Chicago who has needed an addition to his plant for two years. Last year he called in his architect and plans were drawn up for an addition to the plant. But prices were high and labor scarce. There was some difficulty in getting any sort of a promise out of the contractor as to when the addition could be finished. So the idea was temporarily abandoned.

"Workers were crowded, offices consolidated and new desks pushed further out into crowded aisles. Efficiency was impaired and operating retarded because of the lack of room. But right now they are starting work on the new addition because labor conditions have eased off, and they were able to find a contractor who could deliver the work quickly and with very little interruption to business while the new work was being done. There are hundreds of plants all over the country that are in need of remodeling and additions just as this plant I described. Such building will require a lot of labor and a vast quantity of new material. Although this type of activity may not seem as spectacular as the

building programs of 1925-26 have seemed, but just the same it will require labor and material. And the dollars we get from bricks that go into an old plant will look exactly like the dollars we get from a million dollar factory, country club or hotel."

In gathering material for this article the writer called on many authorities in the building field—contractors, architects, material men, electrical supply dealers, secretaries of the various building supply manufacturers' and producers' associations. All are agreed that building in 1927 will remain active, even though there is some slight overbuilding in certain localities.

Demand More Than Shelter

"The thing that many people seem to miss is that we demand more than mere shelter today," said the editor of one of the leading building papers. "There is a school of thought that claims that because the greater part of the actual physical housing shortage has been relieved by new building in the past few years, that building must slump. These people consult reams of statistics and from vast quantities of figures come to the conclusion that the housing shortage has been relieved. They figure that the country was so many thousand homes short in 1920. To this figure they add so many thousand which represent the number of new homes built in the past few years. Comparing the total with the present population they blithely assume that building must come to a virtual standstill.

"These statistical-minded people—who see nothing beyond their precious rows of figures, miss the point entirely. They do not seem to understand that the standards of ten years ago have been thrown into the ash can. A house that was perfectly satisfactory to a family in 1916 is looked upon as impossible today. Take the average home built as recently as ten years ago. It has far too little plumbing, and too few electrical outlets. It lacks a dozen modern conveniences which are considered necessities today. People are not satisfied with such homes today.

There Are Women—and Then again—

WOMEN

SUCH as women who are presidents and owners of successful businesses, officials, department heads, college teachers, lawyers, doctors, dentists, editors, entertainers—women who are *leaders* in their professions and their communities.

They earn much, they dress and live well, they save, they travel; they are unusually successful, and are emulated by their working associates and their wide list of acquaintances.

50,000 of these women are banded together in the National Federation of Business and Professional Women's Clubs, comprising 779 local clubs in the leading cities. Perhaps no other group of women direct the expenditure of so much money.

They own and edit their own monthly magazine, "The Independent Woman," which they read and support with a zeal which will astonish those of you who have a passion for inquiries. Since July the net paid has quadrupled, but it is possible still to buy 1927 space at one hundred dollars a page.

Class Circulation at Two Dollars Per Page Per Thousand !!

For the price of a postage stamp you can tell your story in full-page form to ten women who have from two to ten thousand dollars a year to spend. But you must act quickly: new—and of course higher—rates go into effect January 24, 1927.

Write today for sample copies and detailed information

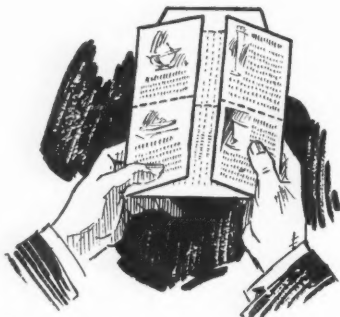
The Independent Woman

A Magazine Member of A. B. C.

19 W. 44th Street ❖ New York City

More Orders Less Cost

Whether you sell through salesmen or direct by mail, here is a way to get more orders from the same effort—more orders at less cost per order.



The 2 in 1 Worco Combined Order Blank and Envelope increases orders because it decreases resistance.

The order-pulling power of these combined order-blank-envelopes has been proved, over and over again, by many concerns, large and small, who have used them successfully for years.

The Worco 2 in 1 makes the dealer *Want Book* your *Order Book*; it teases orders from direct by mail prospects; it spurs to instant action on timely offerings or quick-clean-up sales.

It is economical to burn your present stock of order blanks and pep up your sales, *at once*, with Worco Blanks.

Let us tell you why and give you some interesting figures about the knack of getting orders.

—fire this coupon in to

THE
WORKMAN
MANUFACTURING COMPANY

1206 WEST MONROE STREET, CHICAGO

Gentlemen: Please send me, without obligation, information on "The Knack of Getting Orders."

INDIVIDUAL

FIRM

ADDRESS

(3473)

Forecast of 1927 Building Program

	Number	Value
1-Family Dwellings.....	517,678	\$2,588,390,249
2-Family Dwellings.....	76,042	665,340,762
1-Family and 2-Family Dwellings with stores combined.....	12,172	133,840,441
Multi-Family Dwellings.....	16,631	840,679,428
Multi-Family Dwellings with stores combined.....	1,852	84,220,428
Hotels.....	416	188,978,035
Lodging Houses.....	118	1,023,975
Other Residential.....	112	24,100,200

Total Residential.....\$4,526,573,518

Amusement Buildings.....	1,932	214,551,940
Churches.....	2,310	117,657,709
Factories and Workshops.....	7,982	311,445,944
Public Garages.....	9,594	152,262,250
Private Garages.....	377,212	159,183,737
Service Stations.....	6,536	20,763,413
Institutions.....	460	96,894,735
Office Buildings.....	3,405	447,625,609
Public Buildings.....	528	41,526,110
Public Works and Utilities.....	620	83,052,730
Schools and Libraries.....	4,000	436,000,000
Sheds.....	32,000	13,842,819
Agricultural Buildings.....	152,030	57,330,390
Stores and Warehouses.....	28,716	442,944,600
All Other.....	1,600	13,842,246

Grand Total.....\$7,135,498,750

Compiled by the "American Builder."

So they will rebuild these old homes. Think of the thousands—yes, millions of homes which need plumbing, new electrical fixtures, new roofs, new porches. Think of the thousands of old homes that are still cluttered up with cupolas, quantities of scroll work, intricate ginger-bread porches, bulging forehead gables, and bleak, gaunt windows. Everyone of these homes is a potential sales opportunity. Many of them will be remodeled or rebuilt in the next few years. People are no longer content with mere shelter. We have passed that stage long ago. But this factor is entirely overlooked by the statisticians. They do not understand that the same human factor which keeps the automobile business flourishing will have its effect on building.

"Many a man owns a car which has a fine engine, and which is good for many thousand miles of service. But he trades in his car because it lacks a duo-tone finish, a nicked radiator, or the pleasing lines of later models. His old car will give him transportation. But transportation isn't enough. He wants style, rakishness, and

luxury. And people are no more content with mere shelter than they are with transportation. They want stylish, modern homes—with the added comforts and luxuries of the present mode. It is this desire to keep up with the Joneses that will assure ample building activity for another year, and then another year after that."

The writer recently inspected a nine-year-old apartment building, which for the first time in its life has two vacancies. Two vacant apartments were enough to worry the landlord. He wondered what caused the vacancies. After we looked over the two vacant apartments we went across the street to an apartment building which was just being completed.

"You think your apartment is good enough for anybody," said a friend who was with us, "but look at the difference—from a woman's standpoint, not from your own. This new apartment has built-in book cases, arched doorways, wall fixtures, instead of the ugly old overhead fixtures in your building. It has infinitely better plumbing, fixtures, electric refrigeration, an electric stove, three electric

outlets in the living room and two in the other rooms. Disappearing beds, built-in ironing boards, low radiators, breakfast nooks and other modern improvements put your old building in the shade when it comes to renting. You'll have to improve or reduce rents."

All over the country there is a shortage of garages, it is claimed. New parking regulations bring a demand for better garage facilities. The modern school isn't at all like the old school buildings. Towns with civic pride will rebuild city halls, court houses and other public buildings.

In many cities there is ample office space, but the new buildings which punctured the sky lines of our cities set a pace which must be followed. Old office buildings which were considered the last word ten years ago must be torn down or rebuilt. The rentals cannot be maintained at rates which make the continued operation of obsolete buildings profitable when the ground values are considered. So the circle goes on, each new building creating a demand for others as modern.

Many Waiting Opportunities

Take the matter of store buildings. A few years ago certain specialty shop owners began trying to give their store fronts an air of exclusiveness. They went in for small windows in place of the big all-glass fronts. As a result hundreds of store fronts have been remodeled in various ways which lend an air of distinction to the shops. More work, more materials, and greater activity in business buildings is the result.

Last spring a banker confidently told me that the Florida boom would collapse and bring a panic with it. "When payments on Florida buildings and real estate begin to lapse and building activity down there subsides, there will be a strong similar reaction over the country. Building will suffer and there will be considerable unemployment," he explained. But the Florida situation has been remedied and the effect of the puncturing of the inflation down there was scarcely felt in other parts of the country.

Many building material manufacturers are on the alert to cash in on the remodeling and rebuilding programs now under way. The Associated Metal Lath Manufacturers have under way a strong campaign to encourage rebuilding. The Upson Company, the manufacturers of Weatherbest shingles, the Celotex Company, and many others are engaged in campaigns to promote rebuilding, remodeling and repairing.

A Seven Billion Dollar Year

But this rebuilding and remodeling is by no means the majority of building activity which will take place next year. There is a constant demand for new buildings to keep pace with the growth in population and the normal growth of need for building. Then there is replacement due to depreciation, fire, tornado and flood losses.

According to the publishers of the "American Builder" who have just completed an extensive survey of building conditions in all parts of the country, 1927 will be a seven billion dollar building year. Their forecast is based on the following figures:

Housing required for new population annually	\$1,500,000,000
Other buildings required for new population	1,138,950,350
Annual fire loss.....	335,000,000
Annual tornado and flood loss	100,000,000
Depreciation and obsolescence on the 22 million dwellings in the U. S. at 3%	3,031,244,000
Depreciation and obsolescence applied to all other classes of buildings	1,030,304,400
	<hr/>
	\$7,135,498,750

Thus it is probably safe to say that barring a national calamity, 1927 will show no losses in building. True, there are likely to be losses in certain localities, but gains in others, which will bring the total 1927 building well up to the record-breaking figures of the past two years.

"Among Today's Most Powerful Business-Building Influences"

2

GUIDED by an experience extending over a span of twenty years, one advertising agent says—"The most cursory investigation will prove them (business papers) to be among today's most powerful business-building influences."

And adds—"It's even more sound practice to use business papers today than it was twenty years ago."

Not a fleeting impression, but induced by an experience over a span of twenty years.

Numerous advertisers have had the same satisfactory experience.

In fact, it is often a matter of surprise to learn the richness of the dividends derived from investment in business paper advertising.

All three papers of the American Paint Journal Group are members of the Audit Bureau of Circulations and the Associated Business Papers, Inc.

American Paint Journal Co.

Publishers of
American Paint & Oil Dealer, Monthly
American Paint Journal, Weekly
American Painter & Decorator, Monthly

3713 Washington Avenue
ST. LOUIS, MO.

NEW YORK: Room 1352, 100 William St.
CHICAGO: 53 W. Washington Blvd.
DETROIT: 1924 Ford Bldg.
BUFFALO: 416 Chamber of Commerce Bldg.

During 1927—

INSURE AGAINST HIGH SALES COST

By providing your salesmen with



SALESMANSHIP DIGEST selects the best selling ideas in current business publications and puts them into the hands of your salesmen in convenient, pocket-size form.

Many of the country's largest selling organizations are using this service now with gratifying results.

The price of this increased sales insurance is surprisingly low. Send for group rates and sample copy today—no obligation.

SALESMANSHIP DIGEST
28 E. JACKSON BLVD., CHICAGO

Canada Dry Ginger Ale

is a user of space in The Daily Herald—resulting in increasing sales and larger distribution of this fine drink in the prosperous resort section of South Mississippi.

The Mississippi Coast market is a big one, and it will pay you to investigate it, and spend some effort there. The Daily Herald will help you sell your products or services. Invest your advertising dollars in its productive columns.

THE DAILY HERALD
Gulfport Mississippi Biloxi
GEO. W. WILKES' SONS, Publishers

Could a College Student Pick Flaws in Your Methods

(Continued from page 990)

he obtained bulletins covering operating expenses in the retail shoe stores for the years of 1919, '20, '21 and '22, and a system of stock-keeping for retail shoe stores. From the University of Kansas and the University of Illinois he obtained other bulletins bearing on other phases of retailing. These provided him with still other standards for measuring the efficiency of his own operations.

In his particular case he found that he was not a very efficient retailer. And from the date he made this discovery, Harry Haynes, shoe retailer, began to make money.

Establish New Standards

In this incident, in which names and location are both purposely concealed, is an illustration of the way in which the research committees and bureaus organized by the schools of commerce in twenty-five of the leading universities are now serving business. Harvard, regarded by many as being the leader among the collegiate schools of business, was the first to organize a research bureau, and the first to get it into operation. Most of their investigations have had the cost of doing business as their objective. They have made and published the results of thirty-seven such investigations. These studies are the basis for standards of efficiency in the operation of department stores, retail shoe, grocery, drug, jewelry, hardware and tire and accessory stores, and for wholesale automotive equipment, drug, dry goods, grocery and shoe stores.

A good many of the other schools have followed their lead. There is gradually being accumulated a great body of facts on operating costs in the retail and wholesale stores of every size and kind and in all parts of the country. In the not distant future this information will have been classified and organized, and definite standards for measuring the

efficiency of any merchandising establishment will have been established.

In time investigations on other phases of business will be made, and other standards will be developed. The School of Business at the University of Kansas has completed two studies on credits and collections. The Bureau of Statistical Research at the University of Denver has completed three investigations bearing on the livestock industry. Several reports are available on the business cycle, and the Bureau of Business Research of the University of Illinois has completed three studies on taxation, and two on the operation of public utility companies.

The establishment of operating and management standards is not the only type of research that is being carried on for the benefit of business. A considerable number of investigations have been made for the purpose of discovering whether or not some of the commonly accepted business principles are true.

Test Old Theories

A miller in a small western town, not so long ago, applied to his local banker for a loan of \$20,000.

"Well, we will let you have the money," said the banker. "But I tell you what I think you ought to do. You ought to hedge against this purchase on the Chicago Board of Trade."

The miller took the banker's advice, and they were both satisfied. They were both certain that they now had insurance that would protect them against any price changes in their raw material.

It remained for two members of a university school of commerce faculty to discover that in a period of eighteen years there had never been a time when a flour miller could have hedged against his purchase of wheat and got anything near complete insurance. In a

good many of those years hedging, instead of protecting him, would actually have lost him money. The old theory of hedging is false.

Another of the old and generally accepted principles, recently investigated, is that there is a direct relationship between commercial interest rates and bond prices. When interest rates are high bond prices will be low, and when interest rates are low, bond prices are high. This first investigation fails, however, to find any relationship whatsoever between bond prices and interest rates. There is a strong presumption that this old principle will likewise be found to be an utterly false one.

Ask Embarrassing Questions

The commerce faculty in a middle western university were considering the establishment of a research bureau. The question turned on whether the business men of the community would cooperate, and if they did, whether they would get anything out of it. So a member of the faculty went east to investigate.

"Yes," said the president of a nationally known firm, "we have been having the Harvard students come in here now for several years. I don't know how your local concerns will feel about it, but we find it a good investment."

"How's that?" asked the professor in some surprise. He had been one of those who was sure that the business executives would find the students a pest. "I can't see where you would get anything out of it?"

"Makes my men study this business." The president chuckled. "When I get my assignment of young men, I give them the freedom of the place. I issue orders that they are to be given any information they want, and to be assisted in every way possible. If they don't, they are to come to me. Get the idea?"

"Can't say I do."

"Well, take one of the young men I had in here last year—from your state I believe he was. He told me that he was specializing in marketing, so I sicked him on to my sales manager. In this

HOMMANN *and* TARCHER, Inc.

Advertising & Marketing

C L I E N T S

SMITH BROTHERS COUGH DROPS

ESMOND BLANKETS

STEVENS SPREADS

WHITE ROSE TEA

PEQUOT SHEETS

P. N. CORSETS

BENRUS WATCHES

SUCCESS MAGAZINE

ESTERBROOK STEEL PENS



25 WEST 45th STREET · NEW YORK

*“when
we
laugh
we
think”*

A COMMON CHARGE made against Americans is that we don't think enough—the brain has been called the “lazy member”—we are apt to judge by our feelings rather than by careful thought.

To help salesmen think more, to cause them to analyze, so as to improve themselves as salesmen, a series of illustrated letters has been created around a fictitious salesman known as “Happy Sayles.” These letters are fifty-two in number, one to be mailed out each week.

The salesman will laugh at the trouble “Happy Sayles” creates, but in laughing he will be induced to think, “Perhaps I am guilty of the same thing.” A single set sells at six dollars, prices lower in quantity lots. Send for the story of “Happy Sayles.”

THE DARTNELL CORPORATION
4660 Ravenswood Avenue :: CHICAGO, ILLINOIS

Roots —

Each branch must have a corresponding root and the branches can be no more flourishing than the roots.

Well devised Direct Mailing pieces are "roots" that feed your growing business.

"Acorn" messages are sturdy "roots." They will build your business well. Write

The
Acorn Press
OMAHA, NEBRASKA
Direct Mail Planners and Printers

AP 10



**No Voice —
No Sales —
Luden's
saved
the day!**

THAT'S why so many traveling men carry Luden's Menthol Cough Drops as part of their standard equipment. Read what a Fuller Brush man says:

"I was so hoarse I couldn't speak out loud —couldn't demonstrate—it meant dollars. At 7:30 A. M. bought 2 boxes of Luden's —at 10:30 A. M. could speak and did \$150.00 worth of business before 9 P. M. Luden's saved one of my best days."
(Original letter on file)

Hundreds of similar letters are on file from those who must depend on a clear voice and trouble-free throat. It's the exclusive menthol blend in Luden's Cough Drops that gives quick, safe relief for nose, throat and chest.

In the yellow package
5c—everywhere

business we manufacture, or we were at that time, 1,800 different items. In the very first interview this youngster asked an obvious question—when you stopped to consider it. He wanted to know how many we were selling of each item, and which ones were the most profitable.

The professor looked interested.

"Well, the sales manager didn't know. So he came to me. By George, I didn't know either! So we got busy and what do you think we found out?"

The professor admitted ignorance.

"Well, sir, we found out that 250 items made up 90 per cent of our total sales, and about a third of these were being sold either at no profit or at an actual loss. That one question has caused us to revolutionize both our manufacturing and our selling policies. Got that young fellow working for me out at Kansas City now."

"That is very unusual, isn't it?" the professor asked.

"Oh, sure. Boys been coming here for years, and most of the time all they furnish us is amusement. But they certainly do ask a tarnation lot of questions. Keeps my men right up on their toes. That's why I have 'em. One of these embryo captains of industry asked my comptroller the other day if he didn't have a 'bottle neck organization that was decreasing the efficiency of his whole department.' Dave told him no, but he has been trying to find out ever since what 'a bottle neck organization' is. In to see me this morning. Tell you the truth, I don't know either.

"I want to tell you right here and now that I have done more thinking about this business and have learned more about it since these Harvard boys began coming over here to study us than in all my previous 25 years' experience."

The Lone Hand vs. "Me Too" in Sales Tactics

(Continued from page 976)

that we must win and hold the respect and good-will of the piano tuners throughout the country. Our first step was to devote a part of our advertising to urging owners to have their pianos tuned from three to four times a year. We issue a shop chart showing in detail the construction of a Gulbransen instrument, so that every tuner may know how to adjust and tune our instruments correctly.

But we did not stop there. We have a list of accredited tuners who have proved their knowledge and ability to take care of our pianos by an examination. Names of these tuners are kept on file in our headquarters and by referring owners to accredited tuners we not only assure ourselves that the instrument will be well cared for, but we assure the owner that he will get a fair deal from the tuner.

This plan has cost us time and money. Some manufacturers may think it is too much trouble to

bother with, but we believe it has brought us many new friends and helped cement the relations between our company and the owners of our pianos.

It is not for me to say how many of our policies can be adapted to other lines of business, but it does seem to me that any business which is suffering from worn-out traditions, trade abuses and so-called necessary evils is facing an opportunity to distinguish itself and assume a place of leadership in the industry if it is willing to pitch out these traditions and forge ahead on a course all its own.

What would have happened to our business had we been content to adopt all the old policies and traditions of the piano business I am unable to say. But in my opinion, we would have been just another piano company, rather than having grown to the position of being the world's largest producers of pianos.

Watch Profits

(Continued from page 984)

may prospect with no more capital than a shovel, there are those who strike it rich and those who starve! Closer examination of this beverage industry shows that the profit was made by 107 out of the 148 companies in the field; also the important fact that "beverages" as here defined is not meant to indicate or include soft drinks—it refers to near beer, and the like!

Other industries trailing at the tail-end are: ice manufacture, meat packing, gloves, flour milling, fruit and vegetable canning, hats, men's clothing, carpets.

Smallest Loss in Cereals

As to the average loss suffered by a firm in industry, the record for largest loss goes to the sugar industry (which had a very bad year in 1924), and suffered an average loss of \$148,325. The next record is held by the fertilizer industry with \$116,888; and then in consecutive order: cotton goods, meat packing, woolen goods, automobile tires, automobiles, musical instruments (trace here the effect of radio), locomotives. The industries showing the lowest average loss per unsuccessful firm were, consecutively, rubber boots and shoes (\$6,579), drugs and medicines, cereal preparations, women's clothing, building material, printing and publishing.

The industry showing the smallest volume of loss, compared to volume of profits, is the cereal preparation industry, which had a profit volume of 19 millions, as contrasted with only \$691,000 in losses. (Again an advertised industry leads.) The bread and bakery products industry had a 52 million profit volume, as contrasted with only a 4 million dollar loss; and the tobacco industry had a profit volume of 93 millions as contrasted with only 3 millions in loss. The artificial leather field also shows a big gulf between loss and profit. It is significant to note that these four industries which rank first in this

Sales Contests Made to Ring the Bell EVERY TIME

When
You
Think
of Sales
Contests
Think of
HOTTE

MY PLAN is not one that means a mere flash in the pan—it is a definite, proven method for keeping up sustained effort on the part of *all* your salesmen, from the youngest cubs to the aces of your staff.

Whether you are now using a sales contest or are contemplating one—I have a real message for you. Your inquiry places you under no obligation. It may bring you **BIG RESULTS**.

Attach coupon to your letterhead

GEORGE HOTTE,
Jackson Bldg., Buffalo, N. Y.

DEAR GEORGE: Your plans sound good to me—show me how you can help keep our salesmen always "following the ball"—and we'll talk turkey.

Name _____

Address _____

Encourage your office staff to write BETTER LETTERS

Many times letters are sent out over the signature of an officer of a company about which the official knows very little. These letters are carelessly written, invoke ill will, and may result in the loss of a valuable customer.

To demonstrate the mistakes many letter writers make and to show better ways of saying the same thing, the Dartnell "Better Letter Program" has been prepared. It consists of thirty bulletins and contains many charts, model paragraphs and letters, together with a detailed program for putting the plan into effect in your office. The complete plan, with bulletins, letters and charts, is priced at six dollars. It will be sent to any rated company for examination. It may be returned for full credit within two weeks if you are not convinced that it offers a practical, inexpensive means of improving your correspondence.

4660 Ravenswood Avenue
CHICAGO, ILLINOIS

**The DARTNELL
CORPORATION**

Recruiting Salesmen—

is no more necessary than supporting them—supporting them consistently with *printed* salesmanship direct to their trade.

☞

Call this printed salesmanship "Direct Advertising Matter" if you prefer, but be sure it isn't merely "circular matter."

☞

Whether you are committed to letters or illustrated printing or both, you will find it costs you no more to buy *Advertising* printing than it does to buy job printing, if you will phone or write

The
HENSLEY COMPANY
180 N. Wacker Drive Chicago
Phone: State 2853

LITHOGRAPHED LETTERHEADS

Produced in Black Ink on
No. 1 20-LB. WHITE BOND

\$1.20 Per Thousand

A quality letterhead at a price that commands attention.

Big savings to you on your letterheads.

Send for lithographed samples of companies whom we are serving.

100 M or over \$1.20 per M 25 M lots \$1.45 per M
50 M lots 1.25 per M 12½ M lots 1.70 per M
[Minimum quantity 12½M]

Engravings made at actual labor cost

PEERLESS LITHOGRAPHING CO., Inc.
1718 No. Robey Street, Chicago, Ill.

PHOTOSTATS Reproductions of
testimonial letters
and other data must be attractive in appearance
to be most effective. Write for examples of the
special methods we use to make distinctive Pho-
tostats with deep blacks and clear whites.

COPY SERVICE CORPORATION
21B North LaSalle Street, Chicago

MEN Wm. L. Fletcher Inc.,
can put you in
touch with **THE RIGHT MAN**
for any worth while job
93 Federal St. Boston, Mass.

important comparison are all exceptionally well advertised industries.

As to the industry which shows the largest volume of profit, it is the automobile field, by a large margin (329 millions). The next competitor (in the group under examination) is the printing and publishing industry (153 millions). The industry showing the largest volume of loss is the cotton goods industry (68 millions).

Let us now select those industries which actually show a deficit balance between profit and loss; industries, in other words, which registered complete failure for 1924; not one or more firms in the industry, but the industry as a whole, balancing the volume of profit made against the volume of loss. These industries in which the losses were more than the profits, were: shirts and collars, gloves, trunks and valises, celluloid, butter substitutes, fertilizers. The silk industry came within a fraction of joining this group.

The line of industry showing the lowest total volume of profit in its field was gloves (\$132,744) which was an average of only \$4,282 per firm in the business. The automobile, which has the high record, showed an average profit per firm in the business (inclusive of those not making any profit) of \$197,278. As less than half made a profit, this figure must be more than doubled to reach the figure of the average profit per successful firm (\$459,766).

It must of course be borne in mind that I have selected arbitrarily a group of industries from among the many listed, and have not included in my list many of the lines that go into industrial plants, as I desired this comparison to be based on consumer goods as far as possible.

Eddie Guthard, president of the Lincoln Products Company, of Chicago, spoke at the December 3 meeting of the Automotive Manufacturers' Association on "Merchandising a Competitive Product in Foreign Markets." He related his experience in increasing the foreign sales of Lincoln shock absorbers seven times in four years.



The Tips editor must have given the sugar-plum tree a too-vigorous shake, for down upon his head came more printed visitors than his small playground is used to accommodating. He dumps them all before your eyes, therefore, with nothing but a tag to identify their contents. We think a copy of almost any of the following will be available without charge to a *Sales Management* subscriber. They're all more than two and three-quarters per cent. Here goes:

"Nebraska." Takes the farm market in this state apart to see what makes it tick. *The Nebraska Farmer*, Lincoln, Nebraska.

"The A-B-C of Photo-Engraving." How halftones and zincs get that way. Clearly illustrated. V. C. Houser, American Photo-Engravers Association, 414 North 12th Boulevard, St. Louis, Missouri.

"The Pacific Coast as a Market for Commodities." How to use outdoor media to sell the great open spaces. Foster and Kleiser Company, Eddy Street at Pierce, San Francisco, California.

"Just a Few Figures from Europe." Captivating picture-book talk of facilities for reaching Continental spenders. Erwin, Wasey & Company, 250 Park Avenue, New York City.

"The Third Ingredient in Selling." A first-rate case for direct advertising. James F. Newcomb Company, 330 Seventh Avenue, New York City.

"Pictures as a Commercial Asset." Why you never have to be introduced to the Victor dog, the Campbell kid, or Old Dutch Cleanser. A. J. Powers, Powers Photo-Engraving Company, 154 Nassau Street, New York City.

"The Moving Finger Writer—" Omar Khayyam brought up to date on labor turnover problems. Worth considerably more than the two-cent stamp it'll take to get it. Policyholders Service Bureau, Metropolitan Life Insurance Company, 1 Madison Avenue, New York City.

"A to Z in Master Marketing." Terminal facilities for the loose ends of your marketing plan. Charles Nordlie Associates, 295 Broadway, New York City.

"Patents, Trade-marks, Labels, Copyrights." What you can do to keep your competitor's cows from grazing in your pastures. Joshua R. H. Potts, 160 N. LaSalle Street, Chicago.

"President Coolidge on Advertising." Cal registers an O. K.—and a great many other important thoughts on advertising. A recent address reprinted by Johnson, Read & Company, 202 South State Street, Chicago.

"Where the Most Business is Done." The principle of trading areas as expounded by *Good Housekeeping* magazine. D. L. Hedges, business manager, *Good Housekeeping*, 119 West 40th Street, New York City.

"Dream Worlds that Come True." Human interest sketches of business philosophy. David Colcord, Shields & Colcord, Harris Trust Building, Chicago.

"Getting Your Share." By its own admission "an abbreviated report on the efficiency of direct sales of motor cars in the home." F. C. Fletcher, 3101 Monroe Street, Toledo, Ohio.

"50-50." A bird's eye view of the mediums and circulations available for advertising purposes in the farm paper field, with a resume of changes during the past several years. Farm Life Publishing Company, Spencer, Indiana.

"Keyed Copy" is the title of a little magazine published frankly in the interests of the various McFadden Publications, but it has so much material of genuine interest, and so much real data about advertising that we believe you will thank us for suggesting that you write Carrol Rheinstrom, the editor, to put you on his mailing list. His address is 1926 Broadway. There is a lot of material in this little magazine that doesn't concern McFadden at all. Indeed, Mr. Rheinstrom says remarkable little in behalf of his own company.

Another house magazine we found interesting was "Burk Art," published by The Burkhardt Company, Inc., Larned at Second, Detroit, Michigan. It is designed to sell you all kinds of catalog covers, sample portfolios and that sort of thing, which the Burkhardt Company turns out. But there's interesting and helpful information in it.

26 Meetings a Year in Your Office with Leading Advertising Experts



EVERY two weeks they will come to you through the pages of *Advertising and Selling*—the new kind of advertising magazine—to tell you what they have learned about new ways to advertise and sell. New copy ideas, new plans, new methods that you can lift and adapt to your own business.

You will learn to anticipate these meetings with pleasure, call on them to solve your own problems, refer to them continually.

Let *Advertising and Selling* sell itself to you.



Send the Coupon Now

Advertising and Selling,
9 East 38th Street, New York City.

Please enter my subscription. You may bill me at \$3.00 a year (26 issues) after I have received the first issue.

Name _____

Address _____

City _____ State _____ 12-11

if
you can SELL—
here's your
BIG chance!

THE MIDDISHADE COMPANY, INC., world's largest "sergical specialists, operating on blue serge suits only" need a capable representative for open territory. We want to turn this territory over to a man who thinks enough of it to live in it. It matters not what he sold before—battleships or beans—just so he can SELL. If he can, the opportunity is important enough to tempt a man who can earn real money. Give age, territory covered, and anything else that will allow us to size you up.

All information will be held in strict confidence

The Middishade Co., Inc.
MIDDISHADE BLOCK
Dickinson, South
30th, Reed and
South 31st Streets
PHILADELPHIA, PA.

How Liquid Veneer Works With Jobbers

(Continued from page 1014)

are selling by mail, or other details of the business done in that town.

"The whole system," to quote Mr. Morgan, "is designed as a follow-up method of getting the jobbers to sell our goods. It is our policy to sell through jobbers and we are glad to cooperate in every way with them in the distribution of our products, but we got tired of doing it all for some jobbers. Now we have reached the point where we tell them, in effect, that if they want us to play with them, they'll have to play with us.

"Before we introduced this system we knew in a general way that we were doing more than should be necessary for some of them and we suspected they were not doing as much for us as they should. Now we know exactly what we are doing for them and what they are doing for us, and we are insisting that they do some of their share.

Two Plans For Hiring New Salesmen

(Continued from page 980)

a bank. There was no place he could get a check cashed. But he could take me to plenty of places to place a bet on the races, the ball games, or a prize fight or to enjoy a game of poker. He could show me the town after dark, steer me to any sort of entertainment, but he knew nothing of the men who were likely to be prospects for our line. He was a fascinating fellow and I would undoubtedly have hired him had I been content with the chat in my room. I afterwards learned that he was unreliable, and had never held a job more than a few months!"

Contrast the two methods of hiring salesmen. Is it any wonder that one man has a reputation for holding good salesmen, while the other has open territories by the score? Indeed, one man has a waiting list of applicants—the other has a waiting list of vacancies.

Personal Service and Supplies

Classified rates: 50c a line of seven words; minimum \$3.00. No display

EXECUTIVES WANTED

SALES MANAGER WANTED—A WELL financed, prosperous, thoroughly established manufacturing company, now doing a national business of several million dollars a year, has an opening for a sales manager who is capable of developing the sales to greater magnitude. The opportunities are exceptional. Only a man with an unusual record of accomplishment will be considered. He must be a thorough executive, with experience in building and handling a sales force of at least several hundred men. Applications will be held in strict confidence. Present employees know of this advertisement. No interviews will be granted unless complete details are furnished in first letter, including age, whether married, salary required, companies associated with, earnings, number of men handled, volume of business and complete business experience. The Geyer Company, Dayton, Ohio.

IF YOU ARE OPEN TO OVERTURES FOR new connection, and qualified for a salary between \$2,500 and \$25,000, your response to this announcement is invited. The undersigned provides a thoroughly organized service, of recognized standing and reputation, through which preliminaries are negotiated confidentially for positions of the calibre indicated. The procedure is individualized to each client's personal requirements; your identity covered and present position protected. Established sixteen years. Send only name and address for details. R. W. Bixby, Inc., 118 Downtown Building, Buffalo, New York.

SALESMEN WANTED

HIGH CLASS DISTRICT REPRESENTATIVES and Salesmen for new Moth and Dust Proof Wardrobe and Blanket Container. Sells on sight with large repeat orders. Pays liberal commission. Serve-U Company, Amsterdam, N. Y.

POSITIONS WANTED

BRANCH MANAGER SEEKS NEW OPPORTUNITY. Present connection 10 years, advancing from traveling salesman to manager of sales in 8 Central Western States. Experienced executive versed in regular branch house duties, including sales promotional work, direct mail, warehouse and traffic management. Located in Chicago, married, with family, age 31, Christian, successful business record, excellent health, aggressive and ambitious. Address Box K-126, Sales Management, 4660 Ravenswood Ave., Chicago.

SALES MANAGER SEEKS CONNECTION with manufacturer or jobber. Broad experience—excellent record—splendid references. Age 41—married. Box K-122, Sales Management, 4660 Ravenswood Ave., Chicago.

SALES PROMOTION

\$50 TO \$50,000 DAILY SALES DEVELOPED during 28 years for clients by our direct mail plans, copy, campaigns. One product, 1923, an idea, this year \$100,000 orders booked. Fifty year old concern desired 50 national representatives in 1925; we produced 40 in three months. 700 dealers in 10 months, at \$3 each, for another. Ten years Sales Promotion Manager, Larkin Co. Submit sales problems for free diagnosis. James C. Johnson, 119 Woodbridge Ave., Buffalo.

REPRESENTATION

REPRESENTATION—IF YOU HAVE AN article of merit, either staple or specialty, to be sold to stores, and are not represented in Western Canada, we could show you a good volume of business. Our selling organization has been in Saskatchewan for twelve years, consequently we have a wide connection. References both in the U. S. and Canada gladly furnished. Box K-124, Sales Management, 4660 Ravenswood Ave., Chicago.

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